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"(2) Whether or not the patient, with respect to whom any given record referred to in subsection (a) of this section is maintained, gives his written consent, the content of such record may be disclosed as follows:

"(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

"(B) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but such personnel may not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

"(C) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(c) Except as authorized by a court order granted under subsection (b) (2) (C) of this section, no record referred to in subsection (a) may be used to initiate or substantiate any criminal charges against a patient or to conduct any investigation of a patient.

"(d) The prohibitions of this section continue to apply to records concerning any individual who has been a patient, irrespective of whether or when he ceases to be a patient.

"(e) The prohibitions of this section do not apply to any interchange of records—

"(1) within the Armed Forces or within those components of the Veterans' Administration furnishing health care to veterans, or

"(2) between such components and the Armed Forces.

"(f) Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than \$500 in the case of a first offense, and not more than \$5,000 in the case of each subsequent offense.

"(g) The Director of the Special Action Office for Drug Abuse Prevention, after consultation with the Administrator of Veterans' Affairs and the heads of other Federal departments and agencies substantially affected thereby, shall prescribe regulations to carry out the purposes of this section. These regulations may contain such definitions, and may provide for such safeguards and procedures, including procedures and criteria for the issuance and scope of orders under subsection (b) (2) (C), as in the judgment of the Director are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith."

(b) (1) Effective on the date specified in section 104 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1104), the first sentence of section 408(g) of that Act (21 U.S.C. 1175) is amended by striking "Director of the Special Action Office for Drug Abuse Prevention" and inserting in lieu thereof "Secretary of Health, Education, and Welfare", and the second sentence of such section is amended by striking "Director" and inserting "Secretary" in lieu thereof.

(2) Effective on the date specified in paragraph (1) of this subsection, section 408 of such Act is further amended by—

(A) striking out "The" and inserting in lieu thereof "Except as provided in subsection (h) of this section, the" in the first sentence of subsection (g) of such section; and

(B) adding at the end of such section the following new subsection:

"(h) The Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations established by the Secretary under subsection (g) of this section to records maintained in connection with the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from drug abuse. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe."

(c) The Administrator of Veterans' Affairs shall submit to the appropriate committees of the House of Representatives and the Senate a full report (1) on the regulations (including guidelines, policies, and procedures thereunder) he has prescribed pursuant to section 408(h) of the Drug Abuse Office and Treatment Act of 1972, (2) explaining the bases for any inconsistency between such regulations and the regulations of the Secretary of Health, Education, and Welfare under section 408(g) of that Act, (3) on the extent, substance, and results of his consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations, and (4) containing such recommendations for legislation and administrative actions as he determines are necessary and desirable. The Administrator shall submit such report not later than sixty days after the effective date of the regulations prescribed by the Secretary under such section 408(g), and shall timely publish such report in the Federal Register.

(d) Any regulation under or with respect to section 408 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1175) issued by the Director of the Special Action Office for Drug Abuse Prevention prior to the date specified in section 104 of that Act (21 U.S.C. 1104), whether before or after the enactment of this Act, shall remain in effect until revoked or amended by the Director or the Secretary of Health, Education, and Welfare, as the case may be.

ORDER FOR PRINTING OF A BILL

Mr. KENNEDY. Mr. President, on September 11 the Senate agreed to an amendment to H.R. 7724, the National Service Awards and Protection of Human Subjects Act. No copies were printed at the time. Because of the unusual interest in the amendment, I ask unanimous consent that H.R. 7724, as amended and passed by the Senate, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

AMENDMENT NO. 473

Mr. HARTKE. Mr. President, I call up my amendment No. 473 and ask that it be read.

The PRESIDING OFFICER. There is not a copy of the amendment at the desk.

Mr. HARTKE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE's amendment (No. 473) is as follows:

TITLE II. OFFICE OF COUNSEL GENERAL

DECLARATION OF PURPOSE

SEC. 201. The Congress finds and declares that there is a need for a professional legal counsel to the Congress learned in the law, the Constitution, and the legislative process; that the Congress is a coequal branch of the United States Government with specific powers under article I of the United States Constitution; that the enactment of laws necessitates the continual review of such laws under the United States Constitution; that representation of the Congress in the coequal judiciary branch in all matters of law and fact is now a function of the coequal branch, the executive; that to insure the continued equality of the three branches of Government under the United States Constitution and to advise Members of the constitutionality of proposed legislation, it is hereby declared to be the intent of Congress to establish with the legislative branch an Office of the Counsel General which will carry out the purposes herein set forth.

ESTABLISHMENT

SEC. 202. (a) There is established in the legislative branch of the Government the Office of Counsel General (hereinafter referred to as the "Office");

(b) There shall be in the Office of a Counsel General (hereinafter referred to as the "Counsel") and a Deputy Counsel General (hereinafter referred to as the "Deputy Counsel"), each of whom shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives and confirmed by a majority vote of each House;

(c) The Counsel and Deputy Counsel shall be chosen without regard to political affiliation and solely on the basis of fitness to perform the duties of the Office;

(d) The Office shall be under the control and supervision of the Counsel, and shall have a seal adopted by him. The Deputy Counsel shall perform such duties as may be assigned to him by the Counsel, not inconsistent with this Act, and during the absence or incapacity of the Counsel, or during a vacancy in that office, shall act as the Counsel;

(e) The annual compensation of the Counsel shall be the same as Members of Congress. The annual compensation of the Deputy Counsel shall be at the rate provided for level IV of the Executive Schedule in title 5 of the United States Code.

(f) No person may serve as Counsel or Deputy Counsel while a candidate for or holder of any elected office, whether local, State, or Federal, or while engaged in any other business, vocation, or employment;

(g) The terms of office of the Counsel and the Deputy Counsel first appointed shall expire on January 31, 1977. The term of office of Counsel and Deputy Counsel subsequently appointed shall expire on January 31 every four years thereafter. Except in the case of his removal under the provisions of subsection (h), a Counsel or Deputy Counsel may serve until his successor is appointed.

(h) The Counsel or Deputy Counsel may be removed at any time by a joint resolution of the Senate and House of Representatives,

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when, in the judgment of the Congress, either has become permanently incapacitated, or has been guilty of any felony, misconduct, or any other conduct involving moral turpitude.

DUTIES OF THE COUNSEL GENERAL

Sec. 203. (a) It shall be the duty of the Counsel General, under such rules as the Committee on the Judiciary of the Senate and the House of Representatives may jointly prescribe from time to time, to:

(1) Render to committees, Members, and disbursing officers of the Congress, the Comptroller General, and other officers exclusively within the legislative branch, legal opinions upon questions arising under the Constitution and laws of the United States;

(2) Render to committee and Members advice with respect to the purpose and effect of provisions contained in Acts of the Congress, or to be inserted in proposed legislative measures;

(3) Perform such duties with respect to legislative review of executive actions as shall be prescribed by such rules;

(4) Appear as amicus curiae, upon the request, or with the approval, of the Committee on the Judiciary of the Senate or the House of Representatives, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretation of any Act or the Congress, or the validity of any official proceeding or action taken by either House of Congress or by any committee, Member, officer, office, or agency of the Congress; and

(5) Represent, upon the request, or with the approval of the Committee on the Judiciary of the Senate or the House of Representatives, either House of Congress or any committee, Member, officer, office, or agency of the Congress in any legal action pending in any court of the United States to which such House committee, Member, officer, office, or agency is a party and in which there is placed in issue the validity of any official proceeding or action taken by such House, committee, Member, officer, office or agency.

(b) Upon receipt of written notice from the Counsel to the effect that he has undertaken pursuant to subsection (a) (5) of this section to perform any such specified representational service with respect to any designated action or proceeding pending or to be instituted in a court of the United States, the Attorney General shall be relieved of responsibility and shall have no authority to perform such service in such action or proceeding except at the request or with the approval of the Counsel General.

(c) The Counsel General shall seek the assistance and cooperation of a Member, committee, officer, office, or agency in all proceedings under this Act when such Member, committee, officer, office, or agency is a party to an action or has a present or future interest in the action.

ADMINISTRATIVE PROVISIONS

Sec. 204. (a) In order to carry out the provisions of this Act, the Counsel General is authorized to—

(1) appoint and fix the compensation of such Assistant Counsels General, clerks, and other personnel as may be necessary to carry on the work of the Office. Assistant Counsels General shall be appointed without reference to political affiliations and solely on the basis of fitness to perform the duties of the Office;

(2) to make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the duties of the Office under this Act;

(3) delegate authority for the performance of any such duty to any officer or employee of such Office;

(4) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(5) use the United States mails in the same manner and upon the same conditions

as other departments and agencies of the United States.

AUTHORIZATION OF APPROPRIATIONS

Sec. 205. There are hereby authorized to be appropriated to the Office of the Counsel General such sums as may be required for the performance of the duties of the Counsel General under this Act. Amounts so appropriated shall be disbursed by the Secretary of the Senate on vouchers approved by the Counsel General.

Mr. HARTKE. Mr. President, this amendment provides for the establishment of the Office of Counsel General, or what may be called Congressional Counsel General.

This is not a new measure before the Senate; it is one which I have been proposing for a number of years. Our Constitution states that the Legislature is a coequal branch of the Government. However, at the present time, in regard to interpretation of the laws or other matters affecting the Legislature, the Congress has had to rely upon one of two procedures: either to depend on the Attorney General of the United States, as a part of the executive branch, to interpret and present congressional intent, or ask for the appointment of special committees, such as in the case of the Watergate Committee.

I have discussed the Office of Counsel General with the floor manager, the distinguished Senator from North Carolina, and he has indicated, on his own volition, that he intends to hold hearings on my proposition. However, I would like to have that stated for the Record as conclusive evidence that the matter will be given the attention it deserves.

Mr. ERVIN. Mr. President, the distinguished Senator from Indiana is correct. He has introduced a bill to establish an Office of Counsel General for Congress. I might state that, prior to the time the present measure was reported to the Senate, the Judiciary Subcommittee on Separation of Powers had made arrangements to conduct a hearing on such bills, I believe next week, and I invite the distinguished Senator from Indiana to appear as a witness at that hearing.

Mr. HARTKE. I thank the distinguished Senator from North Carolina for those assurances, and I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 468

Mr. HARTKE. Mr. President, I call up my amendment No. 468, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

Mr. HARTKE. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE's amendment (No. 468) is as follows:

TITLE II—OFFICE OF CONSTITUENT ASSISTANCE

DECLARATION OF PURPOSE

Sec. 201. The Congress finds and declares that there is a need for a more explicit and reasonable method of handling constituent inquiries to the various Members; and that the bureaucratic process in the Federal Gov-

ernment is such that the citizenry is unable to ascertain the appropriate remedy to pursue in cases of grievances; that the various issues which concern the citizenry are so numerous that an analysis of these issues will lead to an informed representation; and that the staffs of the various Members are unable to expertly assist their constituents. In order to meet the needs of the constituents of the Members and to establish a framework of national issue analysis within which the decisions of the Congress persons can be made in a consistent and considered manner, and to stimulate an informed awareness of the national priorities, it is hereby declared to be the intent of Congress to establish an office within the Congress which will carry out the purposes herein set forth.

ESTABLISHMENT

Sec. 202. (a) There is established in the legislative branch of the Government the Office of Constituent Assistance (hereinafter referred to as the "Office").

(b) There shall be in the Office a Director of Constituent Assistance (hereinafter referred to as the "Director") and an Assistant Director of Constituent Assistance (hereinafter referred to as the "Assistant Director"), each of whom shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives and confirmed by a majority vote of each House.

(c) The Office shall be under the control and supervision of the Director, and shall have a seal adopted by him. The Assistant Director shall perform such duties as may be assigned to him by the Director, and during the absence or incapacity of the Director, or during a vacancy in that office, shall act as the Director.

(d) No person may serve as Director or Assistant Director while a candidate for or holder of any elected office, whether local, State, or Federal, or while engaged in any other business, vocation, or employment.

(e) The annual compensation of the Director shall be at the rate provided for level III of the Executive Schedule in title 5 of the United States Code. The annual compensation of the Assistant Director shall be at the rate provided for level IV of such Executive Schedule.

(f) The terms of office for the Director and the Assistant Director first appointed shall expire on January 31, 1977. The terms of office of Directors and Assistant Directors subsequently appointed shall expire on January 31 every four years thereafter. Except in the case of his removal under the provisions of subsection (g), a Director or Assistant Director may serve until his successor is appointed.

(g) The Director or Assistant Director may be removed at any time by a joint resolution of the Senate and House of Representatives, when, in the judgment of the Congress, either has become permanently incapacitated, or has been guilty of any felony, misconduct, or any other conduct involving moral turpitude.

(h) The professional staff members, including the Director and Assistant Director, shall be persons selected without regard to political affiliations who, as a result of training, experience, and attainments, are exceptionally qualified to execute the purpose of the Office.

DUTIES OF THE DIRECTOR AND ASSISTANT DIRECTOR

Sec. 203. (a) Upon the request of any Member of either House of Congress, or the request of any standing committee, special committee, or select committee of the House of Representatives or of the Senate, or any joint committee of the Congress, the Director is authorized—

(1) to conduct or cause to be conducted, in such manner as he determines to be appropriate, an appropriate investigation of any administrative action not exempted under section 305, which might be—

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(A) contrary to law or regulation;
 (B) unreasonable, unfair, oppressive, or inconsistent with the general course of an administrative agency's functioning;
 (C) mistaken in law or arbitrary in ascertaining facts;
 (D) improper in motivation or based on irrelevant considerations;
 (E) unclear or inadequately explained when reasons should have been revealed;
 (F) inefficiency performed; or
 (G) otherwise objectionable;
 (2) prepare a complete report on the results of the investigation, and furnish a copy of the report to the requesting Member or committee and furnish a copy of the report to the head of the agency concerned with a request for a reply, and whenever he determines not to investigate, inform the requesting Member or committee of his determination, with his reasons therefor; and

(3) prepare such interim reports to the Congress as he deems appropriate.

(b) The Director shall cause to be issued a questionnaire each week to each Member and committee which shall request information pertaining to a list of issues which each recipient shall promptly return to the Director indicating the number of constituent inquiries on each issue. The questionnaire shall—

- (1) be without regard to political affiliation;
- (2) contain available space for the addition of issues;
- (3) contain space for comments peculiar to regional analysis; and
- (4) reflect patterns peculiar to a single issue.

FUNCTIONS

SEC. 204. (a) The Office shall make such studies as it deems necessary to carry out the purposes of section 201. Primary emphasis shall be given to supplying such analysis as will be most useful to the Congress in voting on the measures which come before it, and on providing the framework and overview of priority considerations within which a meaningful consideration of individual measures can be undertaken.

(b) The Office shall submit to the Congress on the first Monday of each month, unless a legal holiday in which case the first working day thereafter, and annually on March 1 of each year, a report on constituent inquiries and copies of such reports shall be furnished to each committee and each Member of the Senate and the House of Representatives. The reports shall contain—

- (1) an index of the issues and the total number of inquiries per each issue as furnished by the office of each Member and committee;
- (2) issues under investigation by the Office, and the agency involved; and
- (3) recommendations concerning priorities among Federal programs and courses of action, including the identification of those programs and courses of action which should be given greatest priority and those which could more properly be deferred as reflected by the constituent inquiries.

EXEMPTED MATTERS

SEC. 205. No complaint shall be subject to investigation by the Director under the provisions of this Act if such complaint involves—

(A) any administrative action concerning the appointment, removal, discipline, benefits, or other personnel matters with respect to—

- (1) any member of the Armed Forces of the United States;
- (2) any officer or employee of the Government of the United States;

(B) any administrative action, which occurred more than one year prior to the date on which the person complaining of such action had actual notice thereof, except in

unusual circumstances, the Director may investigate a complaint of an administrative action that would otherwise be exempt under this paragraph;

(C) any administrative action based upon a complaint which the Director determines, at his discretion, to be trivial, frivolous, vexatious, or not made in good faith.

DEFINITIONS

SEC. 206. As used in this Act, the term—
 (A) "administrative action" includes action, omission, decision, recommendation, practice, or procedure;

(B) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, and any officer, or member thereof acting or purporting to act in the exercise of his official duties, but does not include—

- (1) the President;
- (2) the Congress;
- (3) the courts of the United States;
- (4) the governments of the territories or possessions of the United States;
- (5) the government of the District of Columbia;
- (6) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;
- (7) courts-martial and military commissions; or
- (8) military authority exercised in the field in time of war or national emergency.

ADMINISTRATIVE PROVISIONS

SEC. 207. (a) In order to carry out the provisions of this Act, the Director is authorized to—

(1) employ and fix the compensation of such attorneys, clerks, and other personnel as may be necessary to carry on the work of the Office, and such personnel shall be employed without reference to political affiliations and solely on the basis of fitness to perform the duties of the office;

(2) to make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the duties of the Office under this Act;

(3) delegate authority for the performance of any such duty to any officer or employee of such Office;

(4) request such information, data, and reports from any agency as the Director may from time to time require and as may be produced consistent with other law;

(5) hold private discussions or meetings with either the person complaining of an administrative action under investigation or officers or employees of the agency concerned, or both;

(6) prepare and submit annually to the President, to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report on the activities of the Office during the previous year;

(7) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code; and

(8) use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(b) Upon request made by the Director each agency is authorized to make its information, data, and reports (including suggestions, estimates, and statistics) available to the greatest practical extent consistent with other laws to the Director in the performance of his functions.

(c) Section 2107 of title 5, United States Code, is amended by—

(1) striking out the "and" at the end of paragraph (7);

(2) striking the period at the end of paragraph (8) and inserting in lieu thereof a semicolon and the word "and"; and

(3) adding at the end thereof the following new paragraph:

"(9) the Director, Assistant Director, and employees of the Office of Constituent Assistance."

EFFECT OF OTHER LAWS

SEC. 208. The provisions of this Act shall be in addition to the provisions of any other law or regulation under which any remedy or right of appeal is provided for any person, or any procedure is provided for the inquiry into or investigation of any matter, and nothing in this Act shall limit or affect any such remedy, right of appeal, or procedure. The powers conferred on the Director by this Act may be exercised by him notwithstanding any other provision of law to the effect that any administrative action or omission shall be final or that no appeal shall lie in respect thereof.

AUTHORIZATION OF APPROPRIATION

SEC. 209. There are hereby authorized to be appropriated to the Office of Constituent Assistance such sums as may be required for the performance of the duties of the Office under this Act. Amounts so appropriated shall be disbursed by the Secretary of the Senate on vouchers approved by the Office of Constituent Assistance.

Mr. HARTKE. Mr. President, this amendment also seeks congressional reforms similar to mine, and would establish the previous amendment, an Office of Constituent Assistance.

The purpose of my amendment is to find a more explicit and efficient method to deal with the work of the Congress. We have at present staff members spending a great deal of time doing casework. They are trying to assure that constituents receive proper attention from the massive governmental bureaucracy.

I have discussed this amendment with the chairman of the Subcommittee on the Separation of Powers with the acting floor manager, the distinguished Senator from North Carolina (Mr. ERVIN). He has assured me that hearings will be held on this proposal. I should like the assurance of the floor manager that such hearings will be held at a time convenient to the committee.

Mr. ERVIN. Mr. President, the Senator from Indiana has a bill to establish an Office of Constituent Assistance. The staff has had consultations with the distinguished Senator from Montana (Mr. METCALF), who is chairman of the Subcommittee on Budgeting, Management, and Expenditures, and he has agreed to hold hearings on that concept as speedily as possible. I can assure the Senator from Indiana that if he does not press his amendment to S. 1541, the Subcommittee on Government Operations will conduct speedy hearings on the concept put forward in his amendment.

Mr. HARTKE. I want to thank the distinguished Senator from North Carolina. Hearings on both amendments which I have proposed are preferential to proceeding with them here on the floor at this time. With that assurance, I ask unanimous consent that amendment No. 468 be withdrawn.

The PRESIDING OFFICER (Mr. ABOWREZK). Before the yeas and nays are ordered, the Chair will state that the Senator has a right to withdraw his amendment without asking unanimous consent.

The amendment is withdrawn.

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Mr. HARTKE. Mr. President, I ask unanimous consent that two statements concerning the two amendments I have just offered be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR HARTKE
A LEGAL COUNSEL FOR THE CONGRESS

The founding fathers of our nation provided that the powers of the United States government be distributed among the Legislative, Executive, and Judicial branches. By this separation of powers and a number of checks and balances, the writers of the Constitution hoped to avoid excessive concentration of power which would lead to abuse. This system has stood the test of time because it has allowed for flexibility and change in a world in which enormous changes have taken place. To meet the changes, major shifts of power from the States to the Federal Government and from the Legislative branch to the Executive branch have taken place. These shifts in power have to some extent been necessary to cope with the problems of our age. The Courts have kept in step with the times by challenging the encroachment of the Federal Government upon the rights and liberties of citizens. The Executive has grown to meet the demands of a modern society. However, the Legislative branch has not kept in step with these developments and has not acted to preserve its domain in a changing world. Consequently the doctrine of separation of powers and the doctrine of checks and balances are threatened by the fact that the Legislative branch has not developed the means of dealing with the vast amount of power in the Executive bureaucracy.

As the volume of business, size, and number of agencies and departments in the Executive branch has proliferated, Congress has been forced to allow the Executive branch to develop its own rules, regulations, and procedures, while at the same time relying more and more upon the Executive branch to supply it with the information needed to legislate on complex subjects. As the size of this Executive leviathan has grown to powerful proportions, Congress has done little to see that it remains responsive to Congressional oversight and thus to the people. Today the Legislative powers of Congress are in fact threatened by the vastness of the Executive complex.

There is an increasing need for Congress to expand its watchfulness not in order to interfere with the proper functioning of the Executive branch, but to insure its proper functioning by timely action to prevent abdication of its powers and abuse of powers delegated to the Executive agencies. When Congress has been specific in its delegations of power, the agencies concerned have tended to be more able to apply themselves to the tasks at hand. By the same token, agency performance should be improved if Congress has a means to indicate when the departments and agencies have lost sight of the direction Congress has set forth.

The conflicts between the interests of Congress and those of the Executive branch have increased with the proliferation of departments and agencies designed to serve special constituencies. These constituencies represent separate interests, which makes it increasingly necessary for Congress to have someone who can speak not for the constituencies which become involved in the daily administering of legislation, but for the Congress and the people who sought the legislation in the first place. Congress has always depended upon the Courts and litigation to control the Executive branch, and upon the Justice Department, which is simply another arm of the Executive, to represent the view of Congress before the Courts. However, in view of the vast changes which have taken

place in recent years, the time has now come to equip Congress with the tools needed to challenge the growing supremacy of the Executive in this area.

There have been cases in which there has been a sufficient conflict of interest between Congress and the Executive, or sufficient special interest by Congress, to make it desirable for special counsel for the Congress to be appointed to appear before the Courts as amicus curiae. It is the duty of Congress to enact legislation, and there is certainly enough work in this area to keep it busy, but Congress needs assistance in seeing that the legislation once passed actually becomes the law and remains the law. This is not to suggest that the enforcement of laws or the interpretation of laws is the proper domain of Congress, nor that the Courts have an obligation to read statutes the way Congress reads a statute. Indeed Congress does not always have one clear intention, nor has its intention always been expressed clearly in the law it enacts. However, in an age where executive powers have become so extensive, the Courts should be eager to seek the viewpoint of Congress on its laws in order to offset the growing power of the Executive, and it should be the practice for Congress to present its view before the Courts if it so chooses.

At present the Justice Department represents the "United States" in Court proceedings, and this is as it should be. However, the Courts, like the framers of the Constitution, have always been concerned about the absolute power of the man who not only enforces the law but can also make the law he will enforce. Thus, since the Justice Department acting as a party to a case often presents the view of the Executive branch that has made the regulations involved in the outcome of the case, it would seem to be only appropriate for the Courts to consult Congress which made the law as to whether those regulations were an appropriate exercise of its delegation of authority. A Counsel for the Congress would not be in the business of enforcing the law, but rather he would provide an authoritative interpretation of the laws on behalf of the institution of Congress rather than for the Courts to rely solely upon the Justice Department or another party to the case. The Court in the final analysis is to make the decision in the case as to which view of the law will be held valid, but it will be after listening to arguments, not only by the Executive branch, but by the Congress as well.

Thus, in some cases, a remedy to abuse of Executive powers may be found by the presentation of Congressional intent to the Court. However, there often is no real remedy to be obtained from a Court. In these cases which involve resolutions on foreign affairs or cases which are still at an earlier stage of executive rule making, if members and Committees of Congress could obtain the legal opinion of its Counsel upon matters in dispute, some restraining influence might be exerted upon the Executive branch.

To summarize, Congress needs a voice after legislation has been passed. This voice is that of a lawyer who will go before the Courts and represent the Congress just as a private lawyer does, but he will not, except in exceptional cases such as contempt of Congress, actually intervene or initiate a case. Like a private lawyer, he will have functions as an advisor to Congress and in the presentation of legal opinions to Committees or Members of Congress he will indicate whether the laws which Congress has adopted are being respected by the Executive branch of the government. I am today introducing legislation to establish a legal counsel for Congress.

The Counsel of Congress should be the finest legal counsel Congress can obtain. Although this proposal limits his term of office to four years, it is probable that he would remain in office even as the compo-

sition of Congress changes. That is not only because his appointment is to be made without regard to political affiliation, but also because Congress would hesitate to remove a man who conscientiously attempted to ascertain the meaning of legislation and represent the interest of Congress as an institution. Congress would hesitate to politically devalue an office which would be so valuable to it. It is not, however, inconceivable that Congress may decide that its Counsel has failed to maintain those high standards which it hopes. In such cases, it would be in Congressional interest to name a new man. Thus, the power of the Congressional Counsel would be directly proportional to his loyalty to ascertaining as accurately as possible the meaning and intent of legislation.

There are certain built-in checks on the Counsel General. First, he must have the authority of either the House or Senate Judiciary Committee to enter a Court as an amicus. Secondly, his position as an amicus is limited to presenting the viewpoint of Congress on the constitutionality of its laws and to representing Congress in assisting the Courts to ascertain the meaning of its legislation. To the extent that his views on the meaning of legislation are solidly based, he will become respected by the Courts. However, to the extent that he would come under control of some political faction, he would tend to be disregarded by the Courts.

There will be a great deal of restraint acting on any man who dares to present the legislative intent of Congress and act as the lawyer representing Congress. Like a private lawyer he must represent his own client, and also be persuasive to the Court. It is indeed the quality of the Counsel which would determine his success. Furthermore, there is essentially nothing new in his function since the Congress already has someone interpreting its intent in the form of the Attorney General. However, no matter how fine a lawyer he may be, the Attorney General is still a part of the Executive branch which the Congress is seeking to control and cannot escape representing the interests of the Executive branch. In an age where the volume of business has become so great that Congress cannot maintain a watchful eye over all the executive agencies, the idea that the Attorney General can present the view of Congressional intent is in effect to allow the administrative agencies of the government to have more and more opportunity to promulgate law at variance with the will of Congress. Much of the history of administrative law centers around the question of the delegation of authority of a growing and complex society. This delegation of authority has often been necessary. However, the Courts in their development of administrative law have laid down limitations on the powers of the legislative agencies to make their own law. The delegation doctrine may at times seem rather broad, but the idea remains that Congress must not abdicate its powers wholesale to the Executive branch. The Congressional Counsel General might be considered as an additional check against the Executive power in support of that doctrine.

The precedent for such an officer in the Legislative branch comes in part from the existence of the General Accounting Office which functions as an agency of Congress. The General Accounting Office under the Comptroller General makes independent examinations of the way that government agencies fulfill their financial responsibilities. The Comptroller General has access, with limited exceptions, to the papers of all departments. He also determines accounting procedures, settles accounts for disbursing and collecting officers, and renders decisions on the legality of expenditures of public funds. In many respects the Congressional Counsel General would be far more limited

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than the Comptroller General in that he will have no access to papers nor will he have any decision-making powers affecting the other branches of the government.

The functions of the congressional counsel general

The Counsel for Congress under my amendment will perform functions at several stages of the legal process subject to "such rules as the Committees on the Judiciary of the Senate and House of Representatives may prescribe jointly from time to time."

First of all, the Congressional Counsel General would "perform such duties with respect to legislative review of executive actions as shall be prescribed by such rules." Congress often fails to take into account all the factors which later arise in the administration of legislation. In order to encourage the Administrative agencies and departments to respect Congressional legislation, Congress must do a far better job of legislative oversight. Thus, the Counsel of Congress could assist Congress in the initiation of new and corrective legislation. By reviewing the actions of Courts and administrative agencies, he will uncover areas of policy where there is no existing legislation, where the existing legislation is unclear, or where legislation is in effect being made by the Executive. Each year the Counsel could present to Congress an agenda of law revisions with recommendations and alternatives to be considered. This would greatly help Congress perform its oversight and legislative review function. Emphasis upon this particular role of the Counsel General may very well reduce the role he will have to play in subsequent Court proceedings.

Secondly, the Counsel of Congress would "render to committees and Members of Congress advice with respect to the purpose and effect of provisions contained in Acts of the Congress or to be inserted in proposed legislative measures." Thus, the Counsel would provide upon request confidential advisories on the effects and constitutionality of proposed legislation during the legislative process so that legislation will have more likelihood of having effect and being enforced.

Third, the Counsel of Congress would "render to committees, Members, and disbursing officers of the Congress, and to the Comptroller General, legal opinions upon questions arising under the Constitution and laws of the United States." The Congressional Counsel General, through the rendering of legal opinions upon the laws of Congress to committees of Congress, will provide a way for Members and committees of Congress to present an authoritative viewpoint to Executive departments and agencies upon the validity, but not the merit, of regulations such as the new antidumping regulations or various income tax regulations. In this capacity the Counsel will speak authoritatively in the sense of being the counsel representing Congress. However, he will have no dictatorial powers in as much as any department or agency will still be able to promulgate any rules it wishes and then test their validity in Court.

In this capacity the Counsel of Congress could maintain, with the co-ordination of the respective committees of Congress, the history, purpose, and intent of legislation so that after enactment of legislation there will be a complete and authoritative legislative history. This legislative history would become part of the material to be sent to the President with a bill and entered into the Federal Register or a similar publication. This will not only enable the Executive to perform its function better but also assist future Counsels of Congress in performing their functions of rendering legal opinions and representing Congress before the Courts on the meaning of its laws. It should be noted that the proposal does not seek to integrate the legal staffs of the Committees or Legislative Counsel. This is deliberate in

order to maintain the pluralism of views within the Congress which the present system provides.

Fourth, the Counsel would "appear as amicus curiae, upon the request, or with the approval, of the Committee on the Judiciary of the Senate or House of Representatives, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretation of any Act of the Congress, or the validity of any official proceeding of or actions taken by either House of Congress or by any committee, Member, officer, office, or agency of the Congress." The Courts will still have the right to determine who may appear as amicus curiae, but this section will make it possible for the Courts to accept the Congressional Counsel General in the capacity of lawyer for Congress.

Fifth, the Counsel would "represent, upon the request, or with the approval of the Committee on the Judiciary of the Senate or House of Representatives, either House of Congress or any committee, Member, officer, office, or agency of the Congress in any legal action pending in any court of the United States to which such House committee, Member, officer or agency is a party and in which there is placed in issue the validity of any official proceeding of or action taken by such House, committee, officer, office or agency." The Congressional Counsel General would be authorized to replace the Attorney General in this capacity. The reason for this stems from the peculiar interest of Congress in these cases, and the right of Congress to prosecute its own contempt cases. Although this authority has been in the past delegated to the Justice Department, the existence of a full-time Congressional Counsel would only make it appropriate that he be responsible for a case within the traditional powers of Congress.

The purpose of these provisions is to restore the authority of Congress to make valid law. Individual Congressmen or Committees could follow the course of a bill after its enactment, but Congress already has its hands full with current legislation. Furthermore, no one Congressman can speak with much authority, nor can a Committee co-ordinate these efforts without a large staff working in this area exclusively. On the other hand it has been suggested that the Justice Department could be made into an independent agency, but the question would then arise as to how to control it and make it responsible to the people. The Congressional Counsel General would be tied directly to the legislative branch.

In summary, the proposal to create a Congressional Counsel General is perhaps a novel one, but one which is necessitated by the growth of administrative bureaucracy. It is a means to assist Congress internally by assisting it in performing its oversight function, by review of executive and judicial acts as well as by assisting in improving its legislation. It is also a means to assist Congress externally by keeping the Administrative departments and agencies responsive to Congress from which their authority is derived. In both his internal and external functions the Congressional Counsel General will assist in making Congress a more effective branch of our government and thus strengthen the principle of separation of powers.

AMENDMENT NO. 468 TO S. 1541

My amendment to establish an Office of Constituent Assistance is long overdue in the Congress. The quantity of mail we are receiving is at an all time high.

During the past fifty years, we have witnessed the growth of an ever-more-complex society. Problems of housing, employment, education, and health which hardly were imagined a half-century ago now beset us. Whether it is federalism under Alexander

Hamilton, Franklin Roosevelt or Richard Nixon, the problem is the same, government of the people, by the people and for the people in Washington, D.C.

Today, there are few aspects of our daily lives that are not touched upon by the government. One need only look about in this, the Nation's Capital, to see the vastness of our government. Behind the walls of glass and stone sit people whose actions and decisions affect the lives of others who may be hundreds or thousands of miles away.

Inevitably, careless or senseless exercises of public authority occur. The bureaucratic process is prone to impersonality and "red tape." Caught up in confusing regulations, procedures, and policies, the individual citizen is often helpless. Nearly two hundred years ago our forefathers entered into a Declaration of Independence for the people claiming: "In every stage of those oppressions we have petitioned for redress in the most humble terms: Our repeated petitions have been answered only by repeated injury."

We, the elected representatives of the people, must establish a peaceful, efficient, productive, direct method for the people to petition their complex government for redress of their grievances.

The people who come to us in Congress in search of help, request an answer to a problem or a redress of a grievance. In short, they make use of us as their advocates. No function could be more appropriate, for we are here in Washington to represent their interests and look to their welfare.

So great have the needs of our constituents become that Members of Congress and their staffs spend from one-third to one-half of their time on what has come to be called "casework." Although constituents write to us about a multitude of problems, many letters concern a right or a benefit which has been denied or an administrative action which was undertaken arbitrarily.

In the face of an ever-increasing amount of casework, our staffs are finding it difficult to keep up with the mail. We must protect against the possibility that constituent requests for assistance receive only perfunctory treatment. The most diligent and efficient staff has a limit to the amount of casework which it can handle in depth.

Mr. President, because I join my colleagues in placing a high priority on case work, and because I am alarmed at the prospects for its rapid growth in the future, I am today offering legislation which would create an Office of Constituent Assistance as part of the legislative branch. This office will assist Members of Congress in handling some of their casework, and thus free their staffs to spend more time on legislative activities.

I believe that the ties between a Member of Congress and a constituent are vital to the democratic process. Nothing in my proposal would weaken those ties or intrude upon that important relationship. In fact, the office I propose would actually strengthen our relationship with constituents by making it possible for us to serve them better.

The Office of Constituent Assistance would investigate those cases which have been referred to it by a Member of Congress or by a congressional committee. The director of the office is empowered to investigate those cases involving administrative actions which might be: First, contrary to law or regulation; second, arbitrary or unfair; third, mistaken in law; fourth, unclear or inadequately explained when reasons should have been revealed; fifth, improper in motivation or based on irrelevant considerations; sixth, inefficiently performed; or seventh, otherwise objectionable.

Certain matters and governmental agencies are exempted from the investigative powers of the Office of Constituent Assistance. Any administrative action which relates to a personnel decision affected a member of the

Armed Forces or an officer or employee of the Government of the United States, or any administrative action based upon a complaint which the director of the office determines to be trivial or frivolous is exempted from investigation by the director. Similarly, the director's investigative powers do not extend to matters concerning the President, the Congress, the courts of the United States, or court-martial and military commissions. I raise these points because I wish to assure my colleagues that this legislation would not establish an all-powerful office of investigation. I merely propose to create a congressional office to help us in providing our constituents with assistance.

The office would also assist us in establishing a priority analysis of issues which are of the greatest concern to the people. Each congressman and committee would send a weekly report to the office indicating the number of letters received on each issue. The office would make a monthly report of each congressman of the inquiries and an analysis thereof.

The Director of the Office of Constituent Assistance would be an officer of Congress, appointed by the President pro tempore of the Senate and the Speaker of the House, upon the advice and consent of both Houses, for a term of four years. His findings and recommendations would be reported directly to the Member of Congress by whom the case was referred.

The paramount virtue of the Office of Constituent Assistance is that it would provide each of us with a central staff of caseworkers to assist our personal staffs. As is the case with the Office of Legislative Counsel and the Congressional Research Service, the Office of Constituent Assistance would make available a deep reservoir of expert talent to assist us in our work.

There is a second important advantage to be gained from establishing this office. At the present time, 535 different offices handle casework but many of the problems handled by one office are mirror images of the problems handled by others. One centralized office will make it possible to determine if there are any patterns and common elements to constituent problems and thus facilitate legislative efforts to correct the conditions which cause these problems.

The establishment of such an office does not mean that we are less interested in the needs of our constituents, nor will it mean that we are in any manner removed from our responsibilities as advocates for our constituents. The Office of Constituent Assistance will enable us to perform these functions more efficiently and more effectively than in the past.

In summary, I believe that the Office of Constituent Assistance would have these major advantages:

First, it would assist us in handling the ever-increasing volume of casework.

Second, it would enable us to give more detailed and expert attention to the problems of our constituents.

Third, it would enable our staffs to devote more time to legislative activities.

Fourth, it would enable each of us to handle the problems of our constituents with more efficiency.

Fifth, it would assist the Congress in correcting those administrative deficiencies which give rise to constituent complaints.

Mr. President, I have attempted to draft my proposal so that the delicate web of checks and balances and the layers of mutual respect and trust which exist among the various branches of Government are not injured. I am convinced that the caseworkers on our staffs are dedicated and highly competent professionals whose devotion to their work is proved every day of the year. In the final analysis, however, the amount of case-

work and our desire to do our best to meet the needs of constituents require us to seek help. That is why I am proposing that the Office of Constituent Assistance be established.

Mr. ERVIN. Mr. President, the bill of the Senator from Indiana (Mr. HARTKE) to create a Counsel General for Congress was originally referred to the Judiciary Subcommittee on Separation of Powers. However, the present version has been referred to the Committee on Rules and Administration. However, the Subcommittee on Separation of Powers is considering several bills in this field. In case we report out some other bill, our objective will be to offer the Senator's bill as an amendment to it. So the Senator from Indiana is assured of a speedy hearing by the Subcommittee on Separation of Powers, on the General Counsel bill as well as by the Government Operations Subcommittee on the Office of Constituent Assistance bill.

Mr. HARTKE. That is very favorable. I would like to have both proposals given full consideration. As the chairman knows, a special counsel had to be appointed for the so-called Watergate Committee, of which the distinguished Senator from North Carolina is the chairman. The special counsel could have been appointed by routine regulation provided by a very orderly procedure.

I want to thank the distinguished Senator from North Carolina very much for his cooperation and consideration.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ERVIN. Mr. President, I suggest the absence of a quorum and would ask the aides to inform Senators who have further amendments to call up that we are about to go to third reading.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONDALE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I send to the desk a joint amendment on behalf of myself and the Senator from California (Mr. TUNNEY) and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 124, beginning with line 14, strike out through the period in line 18, and insert in lieu thereof the following:

(e) Hearings and Report.—Before reporting the first concurrent resolution the Committee on the Budget of the Senate shall conduct hearings each year during which individual Members of Congress and public witnesses shall have an opportunity to testify on matters to be considered with respect to the first concurrent resolution on the budget referred to in subsection (a) for the fiscal year beginning on October 1 of each year. On or before May 1 of such year, the Committee on the Budget of each House shall report to its House such first concurrent resolution.

Mr. MONDALE. Mr. President, I send to the desk a joint amendment on be-

half of myself and the distinguished Senator from California (Mr. TUNNEY).

First of all, I wish to congratulate the distinguished managers of the bill, the Senator from North Carolina (Mr. ERVIN), and the Senator from Maine (Mr. MUSKIE), together with the Senator from Montana (Mr. METCALF) for their magnificent work on the pending bill. I wish to thank as well the members of the Committee on Rules under the leadership of the Senator from Nevada (Mr. CANNON) and the distinguished majority whip (Mr. ROBERT C. BYRD) for their work in improving the bill.

But the original bill before the Metcalf subcommittee had many faults.

It proposed Budget Committees with majorities drawn in an unrepresentative manner.

It attempted to set binding ceilings in March of each year reaching down to Appropriations Subcommittees or even individual programs. This would be an impossible task, and it would virtually bind the Appropriations Committees—which do have the time and expertise to look at individual program needs—hand and foot.

It proposed complex procedures for floor amendments to budget resolutions—so-called rules of consistency—which would make floor amendments so difficult as to be nearly impossible.

The bill now before us is a remarkable improvement. In outline:

It provides for a budget committee with membership appointed in the regular manner, by party caucuses.

It provides for establishment of an overall, recommended target ceiling in May of each year, with subtargets by broad budget functions. This will permit the fiscal policy and priorities debate which we have always lacked.

It then permits the appropriations process to go forward unhindered.

It provides for a second concurrent resolution in August of each year, to re-examine decisions taken in the first resolution in light of subsequent economic changes and action on individual spending and revenue measures.

Finally, it provides for a reconciliation bill, incorporating revenue changes or appropriations recessions, to bring appropriations decisions into line with budget policies set in the second concurrent resolution. I believe that this process—while still complex—is far more flexible, workable, and representative than the original proposal.

I am particularly pleased that four approaches which I have long advocated appear in the pending bill.

First, that ceilings established in the first budget resolution are recommended targets, not binding on subsequent appropriations, and that these ceilings do not extend down to appropriations subcommittees or individual programs.

Second, that the bill provides for the option of pro rata reductions in appropriations for controllable expenditures if agreement cannot be reached on specific actions to meet the overall budget levels set in the second budget resolution.

Third, that the bill directs the Congressional Office of Budget to prepare a

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tax expenditure budget each year, so that the Congress can make tax decisions, like spending decisions, with a clear view of who benefits from each provision. Tax loopholes are a form of Government aid, and the pending bill recognizes that fact.

Fourth, that the bill specifically provides for review and evaluation, directly and by grant or contract, of Federal programs by congressional committees. I have long felt that we in Congress are forced to rely too much on evaluations prepared by or for executive agencies—and that these evaluations too often fail to address our real concerns, and often enough are heavily influenced by official positions taken by executive agencies.

And I am pleased that the pending bill contains other features found in amendment No. 601, the Congressional Budget Control and Reform Act of 1973, which I introduced last year with the distinguished Senator from New York (Mr. JAVITS) the ranking minority member of the Government Operations Committee. These include a change in the fiscal year from June 30 to October 1—we had recommended a calendar year-fiscal year—to permit detailed examination of the President's budget before the fiscal year begins, and exemption of the Social Security Trust Fund and other similar open-ended Federal commitments from direct control.

The amendment which the Senator from California (Mr. TUNNEY) and I propose is a simple one. It states in the law that Budget Committees will hold public hearings, with testimony from individual members of Congress and other interested persons, before reporting the first budget resolution to the Senate.

This first resolution will provide the vehicle for the great debate over Federal fiscal policy—the level of Federal deficit or surplus—which has such tremendous influence over the health of our economy. And it will set initial targets for allocating Federal funds to broad purposes within the overall ceiling on expenditures.

Although the first resolution is not binding in a legal sense, the process set forth in the pending bill will work well only if the first budget resolution is an honest and thoughtful effort by the Budget Committees and the Congress to come to grips with these questions. And this requires that a broad range of views be spread on the public record.

The report of the Committee on Rules recognizes the importance of public testimony. The report states:

... It is anticipated that the first budget resolution will be reported after hearings to take the testimony of Members of Congress and outside organizations.

However, the bill itself refers only to recommendations from congressional standing committees. Because this reference to participation by committees does appear in legislative language, and I believe testimony by individual Members of Congress and interested groups and persons to be of great importance, I am hopeful that the distinguished managers of the bill will accept this amendment.

Mr. President, this amendment was discussed with the acting floor manager, who is not now in the Chamber, the Senator from Maine (Mr. MUSKIE). The amendment would make it clear that the Budget Committee will hold public hearings, with testimony from individual Members of Congress and other interested persons, before reporting the first budget resolution to the Senate.

This is a modest amendment, that public hearings will be held prior to the time the Budget Committee reports, and I would hope that the distinguished floor manager of the bill, the Senator from North Carolina, would accept it.

Mr. ERVIN. Mr. President, will the Senator give me the number of his amendment?

Mr. MONDALE. It is an unprinted amendment which I discussed the other day with the acting manager of the bill, the Senator from Maine (Mr. MUSKIE). It simply would require that hearings would be held. I do not believe there is any controversy about it.

Mr. ERVIN. Mr. President, I see no objection to the amendment as contemplated. I do not think it is necessary to spell it out particularly in the bill because, pursuant to the practice of all committees considering legislation, it has been the purpose of those who introduced and have worked on this bill that the Committee on the Budget will conduct public hearings prior to reporting the first concurrent resolution. That is what the distinguished Senator from Minnesota has in mind.

Mr. MONDALE. The Senator is correct. There is a reference to public hearings in the committee report. I think it was contemplated that public hearings would be held. This amendment simply confirms that fact and requires it by law.

Mr. GRIFFIN. Mr. President, if the Senator will yield briefly for a question, I have briefly examined the amendment and since the resolution to be adopted by the committee would encompass all areas of Government activity and expenditure, it could be anticipated that a great many witnesses might request an opportunity to justify. So for the purposes of legislative history, does the Senator from Minnesota intend to mandate or compel the committee, because it has some public hearings, to listen to everyone who requests the opportunity to testify, no matter how large that number might be? That would be a matter of possible concern but I do not know whether I am anticipating problems or not.

Mr. MONDALE. The answer is "No." The committee is charged with conducting the hearings. We would not seek to restrict the committee's discretion to impose limits, because it would be almost impossible, particularly in controversial matters, to hear all those who would seek to be heard. The power to set limits would still remain exclusively within the purview of the committee.

This is a modest amendment, simply to provide that there shall be public hearings.

Mr. GRIFFIN. That may be a contribution to the legislative history, making it clear that there shall be public hearings and that witnesses will be heard. The statement by the Senator from Minnesota at least recognizes that it may be necessary from time to time for the committee to have representative witnesses of various points of view and it may not be able to listen to everyone who conceivably might want to come down to testify.

Mr. MONDALE. I agree with the Senator. There are occasions when it is impossible for the committee to complete its work unless it has some power to limit the scope of the number of witnesses.

Mr. GRIFFIN. I think this could become a problem, particularly since we are writing into law a definite timetable when a resolution has to be reported and has to be passed.

Mr. MONDALE. I agree with the Senator.

Mr. President, in conclusion I wish to say that the bill before us is a very hopeful development. It can enable the Congress to conduct a debate over Federal fiscal policy which we have never really been able to conduct before. It can help us to take a tough look at what our real priorities are—not only in the area of direct expenditures, but in the area of tax expenditures as well. It can for the first time allow us to respond in an independent way to the budget submitted by the executive branch. And it can help us to look, not just at proposed increases or decreases in spending, but at how effective individual programs are in carrying out their intended purposes and to see which ones may be obsolete.

It can do all these things. But I hope we will be mindful of the experience in 1948 when the Congress last embarked on a similar effort. I believe the lesson of 1948 is this: the burden is on the Congress to deal in a responsible and flexible way with this new process. The experience of 1948 should teach us that if we set targets which are attractive but impractical, we will destroy the budget process itself.

With the broad support which the pending bill has received, with the wide consultation which went into its development, and with the help of the distinguished leadership on both sides of the aisle, I am hopeful that the Congressional Budget Act of 1974 will mark a new era of full congressional participation in this country's financial affairs.

Mr. TUNNEY. Mr. President, I am most pleased to join with the senior Senator from Minnesota in sponsoring this amendment to the Congressional Budget Act of 1974.

The budget reform bill now before us represents a landmark in the effort to assert the responsible leadership role intended for Congress by the Founding Fathers. This bill is the fruit of many hours of hard labor on the part of the members and staff of the Joint Study Committee on Budget Control, and the Committee on Government Operations and Rules and Administration of the Senate. It is a significant accomplish-

ment that will long enhance the reputation of the 93d Congress as one of the most fruitful and hardworking Congresses in our history.

Mr. President, last April I offered, for myself and Mr. BUCKLEY, a series of budget reform proposals in the form of a bill, S. 1516, the Legislative Priorities and Budget Reform Act of 1973. It gives me great pleasure to note that many of the key features of S. 1516 were incorporated in the bill before us today.

Last April I called for legislation to provide procedures through which Congress could systematically review major spending programs and establish explicit budgetary priorities. I called also for the creation of a fully equipped professional staff of program and budget analysts capable of functioning with the same precision and scope as its executive counterpart, the Office of Management and Budget. The Congressional Budget Act of 1974 that is before us now achieves these worthy objectives.

My statement of April 10, 1973, accompanying introduction of the Legislative Priorities and Budget Reform Act of 1973, pointed out that—

The decisions of the Budget Committees, when approved by Congress, will be among the most important of all determinations made each session. They will determine the magnitude and direction of Federal economic impact for the indefinite future. They will set the tone for the entire Federal establishment.

The determinations of the Budget Committees as provided for in the pending legislation are no less significant. It is, therefore, imperative that all Members of Congress and representatives of the general public have an assured opportunity to present their views to the Budget Committees prior to time the committees report the first concurrent resolutions to their respective Houses. Individuals, Members of Congress and public interest groups from one end of the political spectrum to the other have important contributions to make to the debate on national priorities. We should provide that these views have assured access to the Budget Committees. The amendment we are offering today mandates and thus reinforces the intention of the Committee on Rules and Administration to provide for public hearings of the Senate Budget Committee on all matters related to the first concurrent resolution. Its acceptance by the Senate will be further proof of our strong determination to enact fair and responsible legislation to strengthen the role of the Congress in determining national priorities and in controlling Federal expenditures.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1041

Mr. BEALL. Mr. President, I call up my amendment No. 1041.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 173, immediately below the matter between lines 15 and 16, insert the following:

FEDERAL PROGRAM EVALUATION DIGEST

Sec. 703. The Director of the Office of Management and Budget shall be responsible for preparing and making available each year a digest of all Federal programs, except any program that the President determines should not be included on the grounds of national security. With respect to each program, the digest shall—

(1) state the name of the program, the statute authorizing the program, specify the Federal officials administering the program, and give a brief description of the program;

(2) state the original purposes, goals, and objectives of the program, and any changes thereto;

(3) include an evaluation by the head of the program on whether and how the purposes, goals, and objectives are being achieved;

(4) include references to any study, conducted partially or completely with Federal funds, evaluating the program, and, to the maximum extent practicable, references to any study conducted completely with non-Federal funds, evaluating the program;

(5) state the total administrative costs of the program paid out of Federal funds, the total costs of the program paid out of Federal funds, and the total of such administrative costs so paid as a percentage of such total costs so paid;

(6) include the average cost to the program for each recipient; and

(7) to the maximum extent practicable, include cross references to the program and matters related to the program which are included in the latest available catalog of Federal Domestic Assistance (including any supplements thereto).

Mr. BEALL. Mr. President, I ask unanimous consent that Joe Carter, my legislative assistant, may have the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair would request that the Senator use his microphone.

Mr. BEALL. Mr. President, I have three amendments that I had intended to propose for this bill. The one we are calling up now is No. 1041.

The amendment I am offering would require the preparation of a Federal program evaluation digest. Presently, there is published each year the Catalog of Federal Domestic Assistance. This catalog runs some 817 pages and lists about 1,200 programs. It has proved useful to our citizens and our communities in determining what Federal programs or benefits are available and how to apply for them.

I see the need in the Congress, and elsewhere, for a similar publication that, in effect, would be a handy reference guide for all Federal programs. The Federal Program Evaluation Digest would, to the extent feasible, be cross-referenced to the Catalog of Federal Domestic Assistance and contain the following information:

First, the name of the program, the statute authorizing the program, specify the Federal officials administering the program, and give a brief description of the program;

Second, the original purposes, goals, and objectives of the program, and any changes thereto;

Third, an evaluation by the head of the program on whether and how the

purposes, goals, and objectives are being achieved;

Fourth, references to any study, conducted partially or completely with Federal funds, evaluating the program, and to the maximum extent practicable, references to any study conducted completely with non-Federal funds, evaluating the program;

Fifth, the total administrative costs of the program paid out of Federal funds, the total costs of the program paid out of Federal funds, and the total of such administrative costs so paid as a percentage of such total costs so paid;

Sixth, the average cost to the program for each recipient; and

Seventh, cross-references to the program and matters related to the program which are included in the latest available catalog of Federal Domestic Assistance—including any supplements thereto.

There is a major distinction, however, in that this digest, unlike the Catalog of Federal Domestic Assistance, would include all Federal programs, and not just domestic programs, except to the extent that national defense does not permit a program's listing.

How many of my colleagues, while on the Senate floor, have been confronted with an amendment increasing an appropriation for a program for which there was no ready source of information that the digest would contain?

I believe that such a digest would be a useful and valuable tool for improving our understanding of programs and our ability to determine priorities.

So I urge the adoption of this amendment in the hope that it will go a little way toward making us somewhat better informed than we are now as to the kinds of programs that are operated through Federal programs and what the consequences of our actions with regard to those programs might be, in view of the experience we have had with the programs.

Mr. ERVIN. Mr. President, I respectfully submit the amendment has no place in this bill. The pending bill is a bill to establish a congressional budget system. This amendment would impose certain obligations on the Office of Management and Budget.

I sincerely hope that the distinguished Senator from Maryland will withdraw the amendment, or, if he does not, that the Senate will defeat it. To have effective legislation in this field, we should stick to our purpose, which is to establish a congressional budgetary system, and not complicate it with amendments that relate to the Office of Management and Budget.

Mr. BEALL. I, of course, respect the opinion of the distinguished Senator from North Carolina, but I must hasten to say that I disagree with his analysis that this amendment does not treat the purposes of the bill. I think it is very much to the point of the bill.

As I understand the bill, it is to create machinery that will better equip and enable us in the Congress to carry out our primary constitutional responsibility, that being the responsibility to provide funds for the operation of the Federal

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Government; and I laud the purposes of the bill. I have introduced legislation on this subject I believe the pending bill is a good measure, and I intend to vote for it. I hope it is enacted into law. But I think the proposal we are making here can be very helpful in carrying out the purposes of this legislation, because all we are asking for is to provide ourselves with information that we are going to have and should have if we are going to adequately consider the matters contained in the Federal budget and the consequences of the actions we might take with respect to the various programs being offered by the Federal Government.

I am sure we are all aware of the beneficial effects of the Catalog of Federal Domestic Assistance. This is a move now to further equip us with tools to carry out our responsibility. I believe it belongs in the bill. I think it will enhance the bill and will enable us to do the job. I suggest that an evaluation digest would be of assistance not only to the committee but to the new congressional office being established.

Mr. PERCY. Mr. President, will the Senator yield for just a few questions?

Mr. BEALL. Certainly.

Mr. PERCY. Could my distinguished colleague concisely state to what extent such a digest would duplicate or overlap the Catalog of Federal Domestic Assistance, for which our colleague the Senator from Delaware (Mr. ROTH) has worked so hard and unceasingly?

Mr. BEALL. The Catalog of Federal Domestic Assistance is really just that—a catalog listing programs. It is of use, of course, but it is primarily of use to local and State officials who have to leaf through the Government bureaucracy to see what they are entitled to. This evaluation would be for our purposes. It is an evaluation of the program and it is broader in its contents because it would include all Federal programs except those which would be excluded for reasons of national security.

Mr. PERCY. Does not the President's budget, which comes to us in four huge volumes, constitute in itself a digest of all Federal programs?

Mr. BEALL. It presents the President's budget it is not an evaluation of the programs. That is what I am looking to here—an evaluation—and that does not list any evaluation.

Mr. PERCY. Third, since one of the principles we are trying to achieve is to price out every bill and every amendment and have the Congressional Office of the Budget tell us what it would cost, may I ask how much it would cost to produce such a voluminous digest? How many man-hours would be involved by the executive branch of the Government in producing such a digest?

Mr. BEALL. I cannot answer that question. It is a legitimate question, and we should all be concerned about the cost of all programs, but I should not think it would cost any more than the present Catalog of Federal Domestic Assistance. Whatever amount spent on it, I believe would be money well spent, because it is only through evaluation that we save

money and the avoidance of the extension or duplication of programs that should not be extended or duplicated.

I would say that any money we spend to equip ourselves will end up in savings to the taxpayers.

Mr. PERCY. Titles VII and VIII of this bill have requirements for program evaluation and submission of fiscal data, with GAO participating in this process. To what extent would that effort and those titles be duplicated by this particular amendment?

Mr. BEALL. This amendment does not duplicate that effort. With regard to that subsection of the law, I have another amendment, somewhat similar to the one the Senator from Minnesota has, although ours is more specific. I do not think we are duplicating that. Again, it is a supplement rather than a duplication.

I would find, on that record, that I would have to oppose the amendment. But I do thank the Senator from Maryland very much, indeed, for his explanation of the amendment. Many of the objectives he has worked for, I would agree with. But I must, in my own mind, know how much it should cost and how much work would be involved. I would like to see an analysis from the Office of Management and Budget.

We did not have such an amendment before us in committee. I am not sure that a part of the objective is not already provided for in the bill. It is with regret that I must state my opposition, but I thank the Senator from Maryland very much for his amendment.

Mr. ERVIN. I would like to emphasize what the distinguished Senator from Illinois has just said. The Government Operations Committee worked on the bill for 8 months, and the Committee on Rules for 2 months. They had no such proposal as this before them.

I submit that the distinguished Senator from Maryland, if he wants this proposal, should put it in the form of a separate bill and let it be processed as new legislative ideas are. The bill ought to be considered by the Office of Management and Budget, for it would give the Office of Management and Budget an awful lot of work to do. I am advised that the Office is opposed to the bill.

I hope the Senator from Maryland will withdraw his amendment, instead of trying to legislate on new matter at this late hour in the consideration of the bill. Let him put his proposal in a separate bill, and let it be processed in a separate manner, rather than by piggybacking it on this bill.

Mr. BEALL. I appreciate the Senator's remarks about separate legislation. I point out that in February 1973 I introduced a bill, S. 758, on the whole subject of budget reform and improved oversight. This provision was included as a part of that legislation.

I testified before the Budget Committee on that subject, and submitted testimony to the Government Operations Committee. So it is not something that has come fresh today. It is a matter that has been in the legislative mill for a little

over a year. It is a proposal that has gone through at least two committees of the Senate.

I can see why the OMB would be opposed to the proposal. I can see why they do not want to have the additional responsibility of listing all evaluating of programs. They already are doing some of this, but this would require that OMB do it for us, so that we would have a ready source of information and listing of evaluations of programs. I do not believe, the fact that the OMB is opposed, mandates opposition on our part.

It is something that is necessary and helpful, it is perfectly within our rights to charge the OMB with doing the job. They and the program directors with the administration have the material available that is called for in the amendment. I just cannot change my mind because they do not want to do it. I think it is a job that deserves to be done. I think they ought to provide us the kind of information we need in order to carry out our constitutional responsibility to provide and appropriate money to operate the Federal Government.

Mr. PERCY. Would the Senator from Maryland be receptive to the possibility of developing an amendment to his own amendment that might provide for a study, so that we could at least carry this proposal forward? It is certainly not the desire of the Senator from Illinois to stand in the way of program evaluation. We need evaluations. We have frequently commented on that. The Government Operations Committee bill had a strong program evaluation title in its version of this bill.

The objective is worthy. But some of the unanswered questions are such that I could not support the amendment in the form of a directive to the Office of Management and Budget. But certainly there would be a basis, sufficient and logical, behind a proposal for a study, so that we would know more about it. It would enable the Committee on Government Operations, with such a study, to report a separate piece of legislation, if the Senator would have such a bill that we could consider—and I believe he has.

Mr. BEALL. I appreciate the suggestion of the Senator from Illinois. I do not know that a study is necessary. I think it is a matter that the Committee on Government Operations could consider, without an independent committee study of itself, and get some action that is agreeable, as far as I am concerned.

Mr. PERCY. I should like to ask the chairman of the committee, in view of the fact that we do have a piece of legislation before us, whether we could not make our own study. We have a competent staff. We could draw on the OMB staff. The Senator from Maryland is correct when he says that we could make our own study in committee.

Mr. ERVIN. The Brock-Metcalf amendment would direct the Budget Committee to study methods of improving the analytical system and an evaluation of the existing program. As I understand that amendment, the Budget Committee would be authorized to study

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the matters set forth in the amendment of the Senator from Maryland. I can assure him, on behalf of the Committee on Government Operations, that if, instead of allowing it to be considered by the Budget Committee under the Brock-Metcalf amendment, it were to be considered as a separate bill, we would consider it as a separate matter in the Committee on Government Operations.

Mr. BEALL. I appreciate the suggestion of the chairman of the committee. With that kind of assurance, there is every indication that this proposal will get consideration, and the result would be that we would have the kind of digest to provide us the information that would be very useful when we consider budgetary programs.

Mr. President, with that assurance, I will withdraw the amendment and see that it is introduced in cleaner form as a separate piece of legislation.

Mr. PERCY. I think this a very wise action. So that the Senator from Illinois may be clear, then, the legislative history will indicate the strong desire, on both sides, to have authority granted to the Budget Committee. This bill, if finally passed, would undertake to provide the very kind of evaluation that the Senator from Maryland has proposed. Certainly it would expedite the work of the staff of the Government Operations Committee, which will certainly lend its support to the study. If the Senator from Illinois serves on the Budget Committee, he would carry out the obligation to see to it that we carry such a study forward at an early date.

Mr. BEALL. I appreciate the cooperation of the Senator from Illinois. We are suggesting the publication of a document that would be useful to members of the Committee on the Budget and to Senators generally.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BEALL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I offer an amendment as follows: That wherever, in the bill—or any amendment thereto that may already have been agreed to—the word “highly” appears immediately preceding the word “privileged”, the word “highly” be stricken.

I offer this amendment because the word “highly” is meaningless, it is surplusage, and I do not know how it got there. I thought that in our Rules Committee meetings with staff people, we had stricken that word wherever we saw it.

There is no such thing as a “highly” privileged motion or resolution. A motion or resolution is either privileged or not

privileged. There are no degrees of privilege.

Apparently that language was kept in as boilerplate language from somewhere, and I think it is bad for the Senate to continue to legislate using such terminology when it is absolutely superfluous, meaningless, and nothing but dead wood.

I ask the Chair, so that all Senators may have the Chair's reaction to this question, to determine, upon consultation with the Parliamentarian, whether the Parliamentarian agrees with my statement.

The PRESIDING OFFICER. The Parliamentarian advises the Chair he agrees totally with the statement of the Senator from West Virginia.

Mr. ROBERT C. BYRD. I offer that amendment.

The amendment is as follows:

Wherever the word “highly” appears before the word “privileges” delete same in the language as reported and amendments thereto.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I assume that the clerk, when the bill is finally enacted, will remove that word, in accordance with the amendment.

Mr. ERVIN. Mr. President, I suggest, as the Senator from Illinois has suggested, that the word “totally” also be deleted with reference to the statement of the Parliamentarian's concurrence.

I see no objection to the amendment; I think it is a desirable amendment.

Mr. PERCY. I see no objection either, Mr. President.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Nevada (Mr. CANNON), I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 164, line 14, strike out “March 20” and insert in lieu thereof “March 29”.

Mr. ROBERT C. BYRD. Mr. President, this amendment has been discussed with the two able managers of the bill, Senators ERVIN and PERCY, and they have agreed to accept it.

I shall read a letter addressed to Senator CANNON from Senator PROXMIER which is self explanatory and which in itself explains the purport of the amendment.

The letter reads as follows:

HON. HOWARD W. CANNON,
Chairman, Rules and Administration Committee, U.S. Senate.

DEAR HOWARD: I would like to request that a small technical amendment be appended to S. 1541, as reported by your committee on February 21, 1974. The bill requires the Joint Economic Committee to make its Annual Report on the President's Economic Report “not later than March 20th of each year” (page 164, line 14). In the same bill the Joint Economic Committee is required to report to the Budget Committee on April 1 of each year. In order to better coordinate these two reports, and also to give the Committee some additional time to prepare our Annual Report, we would like to have the deadline for the Joint Economic Committee's Annual Report to Congress changed from March 20 to March 29 of each year.

Thank you very much for your consideration.

Sincerely,

WILLIAM PROXMIER,
Vice Chairman.

Mr. President, the amendment will do precisely that, that is, change the deadline for the Joint Economic Committee's annual report from March 20, as presently provided in the bill, to March 29 of each year.

Mr. PERCY. Mr. President, I should like to address myself to this amendment both as a longtime member of the Joint Economic Committee and as a cosponsor of the pending legislation. I think it will, to all intents and purposes, bring about the finest possible analysis we can obtain. We will depend on the Joint Economic Committee to give us as accurate an assessment as it can as to the state of the economy and the impact the Federal budget should have on that economy. The additional 9 days will be valuable time, well spent by the committee. I fully support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia (Mr. ROBERT C. BYRD), on behalf of the Senator from Nevada (Mr. CANNON).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following requests with the Republican leadership and with the two distinguished managers of the pending bill, Senators ERVIN and PERCY. All Senators have been notified by the hot line in their respective cloakrooms that a unanimous-consent request for an agreement would be propounded on the pending bill at approximately this hour.

Mr. President, I ask unanimous consent that there be a time limitation of not to exceed 6 hours for general debate on the pending bill and that that debate be controlled by and equally divided between Senators PERCY and ERVIN; provided further, that the time for limitation on debate begin running immediately upon the agreement to the unanimous-consent proposals I am now making; provided further, that time on any amendment to the bill be limited to 1 hour, to be equally divided and controlled

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in the usual form; provided further, that time on any amendment to an amendment, debatable motion or appeal be limited to 30 minutes, to be equally divided and controlled in the usual form; provided also that the agreement itself be in the usual form, with the final vote to occur on passage of the bill at 2 p.m. on tomorrow—paragraph 3 of rule XII being waived therefore; with the additional proviso that an amendment to be proposed by the distinguished Senator from Mississippi (Mr. STENNIS) and which is not likely to be considered germane to the bill be, nevertheless, in order.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia?

Mr. PERCY. Mr. President, reserving the right to object—and I do not intend to object—for purposes of clarification my understanding is that no nongermane amendment would be in order except for the Stennis amendment; is that not correct?

Mr. ROBERT C. BYRD. That is correct. May I say, in further response to the able Senator, that I know of an amendment which will be proposed by Senators MONDALE and NELSON. I believe that amendment is germane. I know of two amendments that will be offered by the Senator from Delaware (Mr. ROTH). There is also an amendment which I understand will be offered by the Senator from Florida (Mr. CHILES). I anticipate that that amendment will be germane.

But, in any event, for the protection of all the aforementioned Senators, I would include in my unanimous-consent request that those amendments be in order regardless of their germaneness. I do not think there is any problem.

Mr. PERCY. Further to indicate the protection that has been provided to Senators on this side of the aisle, I have conferred with the assistant minority leader, the Senator from Michigan (Mr. GRIFFIN), and he has checked to the best of his ability as to whether Senators who have amendments need more time, or more time for debate and discussion; and, to the best of his knowledge, there are no Senators who have made any such requests. All have been notified on the audio system, and their offices have been notified. As a matter of fact, the floor manager of the bill, the chairman of the Government Operations Committee, the Senator from North Carolina (Mr. ERVIN), and the Senator from Illinois, have indicated several times that it would be their hope, that we could actually finish by this evening; but we have all agreed that every Senator should have all the time necessary because of the tremendous importance of this bill to the Senate, to the Congress, and to the procedures under which we operate.

I have had a request from the distinguished Senator from Nebraska (Mr. CURTIS) that he have time to speak on the bill. The distinguished Senator from New York (Mr. JAVRS) wishes to do so also, and he will do so at the time he offers his amendment.

So far as I know, the rights of all Senators have been protected by this. I feel it is now appropriate that we move for-

ward to a time certain for a vote on the bill.

I would merely like to indicate the importance attached to this bill by everyone with whom we have been in touch. I think every Senator who has participated with us, particularly the leadership, which has leaned over backwards to make certain that we have given as thorough an analysis as possible and move forward as expeditiously as possible, should be commended.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, before the Chair propounds the request, it occurs to me that Senator PROXMIER had indicated to me that he may or may not have an amendment which he would wish to offer. I cannot recall precisely the nature of that amendment at this time, but I would venture to say that it would be germane. In any event, I think he ought to be protected, and we ought to have that understanding likewise in accepting this request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia?

The Chair hears none, and it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the further consideration of S. 1541, the so-called "Federal Act to Control Expenditures and Establish National Priorities", debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree, debatable motion or appeal shall be limited to ½ hour, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That to the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill (except two amendments to be offered by the Senator from Delaware (Mr. ROTH), and one amendment each to be offered by the Senator from Mississippi (Mr. STENNIS), the Senator from Wisconsin (Mr. PROXMIER), the Senator from Florida (Mr. CHILES), and the Senator from Wisconsin (Mr. NELSON) shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall not exceed 8 hours, to be equally divided and controlled, respectively, by the Senator from North Carolina (Mr. ERVIN) and the Senator from Illinois (Mr. PERCY): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

Ordered further, That the vote on final passage of the said bill shall occur at 2:00 p.m., on Friday, March 22, 1974.

ORDER FOR ADJOURNMENT TO
10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF
THE UNFINISHED BUSINESS, S.
1541, TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately following the recognition of the two leaders or their designees under the standing order tomorrow, the Senate resume consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE NELSON-MONDALE
AMENDMENT TO BE LAID BEFORE
THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendment to be offered by Mr. NELSON and Mr. MONDALE be laid before the Senate at the close of business today and made the pending question on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF
SENATOR ROTH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I would certainly want to protect Senator ROTH, who I understand wanted to call up his amendment tomorrow. He has two amendments, one of which he will call up today, and one tomorrow. I ask unanimous consent that Mr. ROTH be recognized upon the disposition of the Nelson-Mondale amendment tomorrow, to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET ACT OF
1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from North Carolina yield me 3 minutes?

Mr. ERVIN. I am delighted to yield 3 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator from North Carolina.

"NATIONAL SECURITY" TAPS

Mr. HARRY F. BYRD, JR. Mr. President, the Washington Post today published an excellent article written by the distinguished Senator from Wisconsin (Mr. NELSON). The article deals in some detail with the question of wiretapping and the need to protect the citizenry of our Nation against unwarranted invasion of privacy.

Obviously, Senator NELSON's article involves a great deal of research. It is handled with great care, and it explores this very important subject in a comprehensive manner.

I commend the able Senator from Wisconsin (Mr. NELSON) on this article. I am not necessarily in agreement with every detail, but I support the general concept that he enunciates, and I am in general agreement with the views he expressed.

I ask unanimous consent that the article by Senator NELSON, published in today's Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"NATIONAL SECURITY" TAPS
(By GAYLORD NELSON)

Civil rights leader Martin Luther King, Jr., newspaper columnist Joseph Kraft, former Nixon presidential aides William Safire and John Sears, former National Security Council staff members Morton Halperin and Anthony Lake, former congressional aide Dunn Gifford, and boxer Muhammed Ali—these citizens have something in common. Their telephone conversations have been wiretapped by the federal government for so-called "national security" reasons. And they are merely a handful among thousands.

In each case the government acted without obtaining a judicial warrant approving of the "tap." The government therefore did not explain to a court the justification for the surveillances. Nor did the government voluntarily inform any of the individuals involved that their telephone conversations had been secretly intercepted. Most of those tapped never learn about it.

Despite the righteous indignation of congressional representatives, lawyers, and the public, warrantless wiretapping continues. Last January the Justice Department reported that in one week it had authorized three warrantless wiretaps in national security cases—an average week's quota according to the department. The department did not indicate whether the taps included surveillances of American citizens. Nor did the department indicate the basis for believing the taps necessary. And that is precisely the problem.

Warrantless wiretaps give the government an unreviewed and unchecked power to invade a citizen's privacy. The government alone determines whom it should tap and when it should tap. Neither a court, nor the Congress, nor the individual involved has an opportunity to demonstrate that there is no justification for the tap.

Because they escape scrutiny by anyone outside government, warrantless wiretaps are a dangerous and fundamental assault on the individual's right to privacy and other civil liberties. They pose a threat to the freedom of every citizen, regardless of his or her station in life. In a 1928 surveillance case Supreme Court Justice Oliver Wendell Holmes called warrantless wiretaps "dirty business." In 1931, J. Edgar Hoover—who by then had been FBI director for seven years—called them "unethical" (his position softened in later years).

Warrantless taps also are, in my view, unconstitutional. The Fourth Amendment explicitly provides that every citizen should be free from government searches and seizures that are not authorized by a judicial warrant. There is no exception for "national security" cases. The basic notion underlying the amendment is that a neutral court—not a government blinded by its lawful investigatory responsibilities—should decide whether any search contemplated by the government is reasonable.

In the 1967 *Katz* and *Berger* decisions, the Supreme Court held that the Fourth Amendment's protections apply to government wiretapping. The Court also held in the 1972 *Keith* case that the government could not wiretap American citizens without a judicial warrant even when the citizen's activities threaten "domestic security." The Court reserved judgment, however, for those cases in which American citizens have a "significant connection" with foreign powers and their agents.

Because the Court has not yet decided this latter question, the present administration maintains that the government can, without a warrant, tap American citizens and others whose activities involve foreign affairs. It was on this basis that the Justice Department authorized three warrantless wiretaps last January.

Congress should not tolerate the continued use of these warrantless wiretaps for so-called "national security" purposes. It is indeed ironic for the government to invoke "national security" to violate those constitutional rights and liberties which the government is obligated to defend. And remedial legislation should include at least four basic elements.

First, before the government could wiretap American citizens for national security purposes, it should have to obtain a judicial warrant based on probable cause that a crime had been or was about to be committed. This provision would simply recognize the rights guaranteed to every citizen by the Fourth Amendment.

Second, before the government could wiretap foreign powers (i.e., embassies) or their agents, it should have to obtain a judicial warrant based on a belief that the surveillance is necessary to protect national security. The warrant standards for foreign power taps should thus be less rigorous than those applied to American citizens.

The justification for this second provision is plain. The government's desire to wiretap should be reviewed by a court. There should be no exceptions. Otherwise the exceptions could be stretched to sanction an unreasonable invasion of an American citizen's privacy. This second warrant requirement would in no way undermine the government's ability to protect against foreign attack or subversion; the government would be able to wiretap foreign powers and their agents any time there is a real need.

Third, every American citizen wiretapped should be informed of the surveillance within 30 days after the last authorized interception. This would afford the individual an opportunity to protect against violations of his constitutional rights. The disclosure of the wiretap should be postponed, however, if the government satisfies the court that the person wiretapped is engaged in a continuing criminal enterprise or that disclosure would endanger national security interests.

Fourth, there should be continuing congressional oversight of wiretaps and other surveillance activities engaged in by the government. At least once a year, representatives of the government should testify, under oath, before a joint congressional committee about their surveillance activities, in this way, Congress can determine whether the government is complying fully with the laws and whether additional legislation is needed to protect individual privacy.

A number of Senators have joined me in introducing two bills (S. 2820 and S. 2738) which incorporate these basic elements. Other bills might be able to improve on these measures. But in any event, the need for congressional action is clear. A citizen's constitutional right to privacy should not exist at the sufferance of some government official's definition of "national security."

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HARRY F. BYRD, JR. The time to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ERVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ERVIN. I yield 2 minutes to the distinguished majority leader.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 11929) to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 5236) to provide for the conveyance of certain mineral interests of the United States in property in Utah to the record owners of the surface of that property.

The VICE PRESIDENT subsequently signed the enrolled bill.

HOUSE BILL REFERRED

The bill (H.R. 11929) to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments, was read twice by its title and referred to the Committee on Public Works.

DEATH OF CHET HUNTLEY

Mr. MANSFIELD. Mr. President, it is with a sense of deep personal regret that I note the passing yesterday morning of an old friend and a man well known to all of us, Chet Huntley, who passed away in Bozeman, Mont.

Chet Huntley was born in Montana. He lived in Saco, along the highline, in Cardwell, in the Jefferson county. His folks had a ranch in that area and one later at Reedpoint, in the eastern part

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of the State. His mother, of course, lives in Billings.

About four years ago, Chet Huntley left a well-paying position as the other half of the Huntley-Brinkley team to return home to Montana, and there he was the driving force behind the Big Sky recreational facility. It is sad to note that the formal dedication of Big Sky was to take place this coming weekend.

Chet had a great love for Montana, and Montana had great affection for him. There is not much that one can say about a friend who is so well known. I can only say that, while I did not expect him to last too long after cancer was found 2 months ago, I certainly did not expect him to pass away from this Earth so soon.

Chet made many contributions because of his frankness and candor, not only on a nationwide scale but I think in the field of international affairs as well. Certainly, he had a great effect upon his native State. His was a most productive and fulfilling life and he left his mark indelibly in the pursuits he chose; chiefly, as a newscaster, analyzer and interpreter of prominent significance. It is for these reasons that we mourn the passing of this distinguished American, this Montanan of the first rank, this man who was a good friend, and this man who contributed so much to his State and to the Nation.

At this time, on behalf of Mrs. Mansfield and myself, I wish to extend deepest condolences to his wife, Tippy, to his two daughters, and to his mother, who, as I said earlier, lives in Billings, Mont.

May his soul rest in peace.

Mr. President, I ask unanimous consent that the obituary in today's New York Times be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

CHET HUNTLEY, 62, IS DEAD; GAVE THE NEWS TO MILLIONS—HALF OF HUNTLEY-BRINKLEY TEAM ON NBC TV ALMOST 15 YEARS

(By Michael T. Kaufman)

Chet Huntley, the former television newscaster, died of cancer yesterday in Bozeman, Mont., where he was preparing for the dedication this Saturday of a \$25-million recreational complex called Big Sky, which he had organized. He was 62 years old and had undergone surgery two months ago for abdominal cancer.

Until almost four years ago, Mr. Huntley appeared nightly on the National Broadcasting Company's "Huntley-Brinkley Report." A consumer-research company found in 1965 that he and David Brinkley, his news partner, were recognized by more adult Americans than Cary Grant, James Stewart, the Beatles and John Wayne.

Not all of these adult Americans were sure which of the two was which, but most recognized that the tall, rangy one with the low-timbered voice was Chet Huntley. Mr. Brinkley, who is still on the air, is more boyish and slight.

They appeared together almost 15 years, describing wars, assassinations, strikes, elections, floods. They also reported on long hair, roller-skating postmen and lesser events of the day. With dashes of humor spicing an essentially serious, authoritative delivery, they created one of television's most consistently successful programs.

"GOOD NIGHT, DAVID"

The program's coda, "Good night, David"—"Good night, Chet," was heard each night by

many millions. It was parodied each day by thousands and like Jimmy Durante's "Good night Mrs. Calabash, wherever you are," and Edward R. Murrow's "Good night and good luck," the sign-off became part of the language.

Last night the "N.B.C. Nightly News," Mr. Brinkley spoke of the years the two men worked together.

"Most pleasant to think about," Mr. Brinkley said, "was that wherever we traveled around this country we both ran into younger people, college age and older, who said: 'You know I grew up with you guys. You were part of my youth, part of my education and part of my life.' He certainly was touched and moved and affected by that. He had that to think about and the knowledge that he always told them the truth as far as he knew it. . . .

"I guess we and television grew up together. Now, that part of it is over, and I believe Chet had every right to think he had left the American people something useful, honest and of permanent value."

Mr. Huntley's last good night as his partner came in July of 1970. The first was in 1956, when he and Mr. Brinkley were the staff correspondents chosen by N.B.C. as anchor men for news coverage of the Democratic and Republican National Conventions.

Originally, the intention had been that they would alternate. But without previous design, the two stayed on camera together, interweaving their commentary.

REPLACEMENT FOR SWAYZE

At that time network executives were searching for someone to take the place of John Cameron Swayze on the nightly news. They had wanted John Hersey, the author, but he had turned them down. Others sought Henry Cabot Lodge Jr., who preferred to stay on as United States representative at the United Nations. Mr. Huntley and Mr. Brinkley were the third choice. They did their first show Oct. 20, 1956.

From the start the two complemented each other. Mr. Brinkley was the sophisticated easterner, with a dry understated irony and a puckish smile. Mr. Huntley was more serious, even somber. He was the rangy Westerner, who with a naive doggedness questioned what seemed to him unusual or strange. Sometimes the commentary consisted of nothing more than an expressive raised eyebrow.

Mr. Huntley's ties to the West and the frontier were very strong. The furnishings of his modern office at Rockefeller Center included the rollout desk his father had used as a railroad telegrapher in Bozeman, a brass spittoon and an 1870 Winchester rifle.

His experiences growing up on his grandfather's sheep ranch near the Canadian border formed the heart of his 1968 book, "The Generous Years: Remembrances of a Frontier Boyhood."

In it, he wrote of a high school English teacher named Callie Allison, who taught him grammar and instilled in him a respect for the language. With her encouragement he won a scholarship in a national debating contest.

He went to the University of Washington, and in his last year worked at KPCB, a small radio station in Seattle.

"I did everything from sweeping out the joint to spinning records, writing advertising copy, dreaming up new programs and running the transmitter when the engineer went out for coffee," Mr. Huntley recalled.

Jobs at a number of local stations followed and stints as an announcer at dance-band contests. In 1937, he joined the N.B.C. affiliate in Los Angeles. For the next 20 years he worked mostly on the West Coast for each of the three major networks. He won national awards for a radio series on discrimination against Mexican Americans and for his reporting on the wartime relocation of Japanese Americans.

He gained a reputation as a hard-working reporter who was not afraid to interject commentary. In the early nineteen-fifties he was attacked by anti-Communist vigilantes angered by his outspoken criticism of Senator Joseph R. McCarthy. At one point, Mr. Huntley went to court and won a \$10,000 slander judgment against a woman who had denounced him as a Communist.

CROSSED PICKET LINE

Perhaps his most controversial move came on March 29, 1967, when he crossed picket lines set up by striking members of the American Federation of Television and Radio Artists. His partner, Mr. Brinkley, honored the strike. Mr. Huntley, who was then believed to be earning about \$200,000, said he didn't think newsmen belonged in a union with singers and dancers.

Shortly after that, Mr. Huntley had to sell his New Jersey cattle farm because of vandalism and sniping attacks on his herd.

In 1968, the Federal Communications Commission rebuked N.B.C. for allowing Mr. Huntley to deliver attacks on Federal meat-inspection requirements while having interests in a cattle-feeding concern. More recently, he was attacked for the Big Sky project by conservationists who said the scheme defaced wilderness area. Characteristically, Mr. Huntley fought back, calling his critics "so-called conservationists."

Mr. Huntley's first marriage, to Ingrid Rolin, ended in divorce in 1959.

He is survived by his widow, the former Tipton Stringer, who was a television weather broadcaster; two daughters of his first marriage, Mrs. Sharon Arensmeyer and Mrs. Leanne Khajazi; his mother and three sisters.

Mr. METCALF, Mr. President, the Nation and his home State of Montana mourn today the passing of a distinguished American, Chet Huntley. One of the truly great newsmen of this country, he will be missed by all who knew him.

Pioneer in television journalism, winner of nearly every major award, employee of all three national networks but best remembered for his long association with David Brinkley on NBC, Chet was known to millions of Americans. His death at 62 to lung cancer was not totally unexpected, but that does not ease our loss.

Chet was born and raised in Montana and received most of his undergraduate college education at Montana State University in Bozeman. When he retired from broadcasting in mid-1970, he returned to the beautiful Gallatin Valley. There he died yesterday, within a few miles of Bozeman.

Chet Huntley has always occupied a special place in the hearts of Montanans. We were proud of his national accomplishments, pleased that he returned to us after retirement, and terribly saddened at the news of his death. We will miss him very much.

Mr. President, Mrs. Metcalf and I extend to Tippy and to the other members of the Huntley family our deepest condolences on the death of Chet. He was a fine person and a great American.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on

Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time be charged equally against both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ERVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. I yield 5 minutes on the bill to the Senator from Alabama for such use as he may see fit to make of it.

Mr. ALLEN. I thank the distinguished Senator from North Carolina.

PUBLIC FINANCING OF FEDERAL ELECTIONS

Mr. ALLEN. Mr. President, I understand from the leadership that after the present bill has been disposed of, S. 3044, the public financing of Federal elections bill, will be laid before the Senate and made the pending business.

I would like to outline several amendments that I plan to offer to this bill. I have one amendment I wish to send to the desk at the conclusion of my remarks for printing and to lie on the desk.

Mr. President, the first amendment that I will offer is an amendment that would provide that the so-called check-off, which is being doubled under the bill, require affirmative action by the taxpayer. The bill as reported by the Committee on Rules and Administration provides that if the taxpayer does not object to the checkoff then it will be presumed that he wants the checkoff to apply.

The amendment would be an amendment that was offered last year and adopted, I believe, by a voice vote in the Senate. It was offered by the distinguished Senator from Louisiana and it would require affirmative action by the taxpayer to implement the checkoff.

Under the bill coming out of committee the effect of that would be that if the taxpayer did not check off the \$2 or \$4, as provided by the bill, then it will be presumed that he intended that it be checked off, which is just the opposite of what his action would indicate he wanted done. That would require that it be affirmative.

Another amendment would strike title I in its entirety, which provides for the public financing of Federal elections. There is a lot of good in the bill and if we could prune out the public financing feature then certain other features of the bill would be good. So an effort will be made to strike title I.

Then, another amendment will be offered which would cut the amount of

the permissible contributions from the \$3,000 per person per election down to the amount which the bill provides can be matched with Federal funds, that amount being \$100 in congressional elections, congressional meaning House and Senate races both, and then \$250 in campaigns for the Presidential nominations of the major parties. So an effort will be made to cut the amount of the maximum contribution from the \$3,000 provided in the bill, which is a deduction, of course, under the present law, down to \$250 in Presidential nomination campaigns and down to \$100 for congressional races, the theory being that those amounts are the only ones that can have equal matching from the public treasury, and what is the use of permitting excess contributions which could not be matched.

So, Mr. President, another amendment will be offered to strike title V in its entirety. That is the one that doubles the checkoff and the amount.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ERVIN. I yield to the distinguished Senator 3 additional minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ALLEN. The other feature is a doubling of the credit amount or the deduction amount or the deduction amount by a taxpayer contributing to political races.

Another amendment would be to add a new section providing for the elimination of honoraria to Members of Congress. That amendment reads:

No Member of Congress shall accept or receive any honorarium, fee, payment, or expense allowance other than for actual out-of-pocket traveling and lodging expenses from any source whatsoever for any speech, article, writing, discussion, message, or appearance other than in payment of his official salary and for official reimbursements or allowances from the U.S. Treasury.

The theory behind this amendment would be that inasmuch as the Senate has acted and has vetoed, in effect, the President's recommendation for a salary increase for Members of Congress, this would prevent Members of Congress from receiving honorariums and it is closely allied to the matter of contributions. It was with that thought in mind it is being offered.

Mr. President, I send the last amendment to which I made reference to the desk and ask that it lie on the table and be printed, to be called up at a later date.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. A quorum call is in progress.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I call up an amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROTH. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH's amendment is as follows:

On page 184, line 8, strike all of Title X and insert, in its place, Title X—Impoundment Control Procedures.

Sec. 1001. Transmission of Special Messages by President.

(a) In general.—Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States impounds any budget authority authorized or made available for a specific purpose or project, or orders, permits, or approves the impounding of any such budget authority by any other officer or employee of the United States, the President shall, within ten days thereafter, transmit to the House of Representatives and the Senate a special message specifying—

(1) the amount of the budget authority impounded;

(2) the date on which the budget authority was ordered to be impounded;

(3) the date the budget authority was impounded;

(4) any account, department, or establishment of the Government to which such impounded budget authority would have been available for obligation except for such impoundment, and the specific projects or governmental functions involved;

(5) the period of time during which the budget authority is to be impounded;

(6) the reasons for the impoundment, including any legal authority invoked by him to justify the impoundment;

(7) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the impoundment; and

(8) all facts, circumstances, and considerations relating to or bearing upon the impoundment and the decision to effect the impoundment, including an analysis of such facts, circumstances, and considerations in terms of their application to any legal authority and specific elements of legal authority invoked by him to justify such impoundment, and to the maximum extent practicable, the estimated effect of such impoundment upon the objects, purposes,

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and programs for which the budget authority was provided.

(b) **Delivery to House and Senate.**—Each special message submitted pursuant to subsection (a) shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the Committee on Appropriations of the House of Representatives and to the Committee on Appropriations of the Senate; and each such message shall be printed as a document for each House.

(c) **Transmission to Comptroller General.**—A copy of each special message submitted pursuant to subsection (a) shall be transmitted to the Comptroller General of the United States on the same day it is transmitted to the House of Representatives and the Senate. In order to assist the Congress in the exercise of its functions under sections 1002 and 1004 the Comptroller General shall review each such message and inform the House of Representatives and the Senate as promptly as possible with respect to (1) the facts surrounding the impoundment set forth in such message (including the probable effects thereof) and (a) whether or not (or to what extent), in his judgment, such impoundment was in accordance with existing statutory authority, provided, however, that the authority hereby conferred shall not be used for the purpose of eliminating a program the creation or continuation of which has been authorized by Congress.

(d) **Transmission of supplementary messages.**—If any information contained in a special message submitted pursuant to subsection (a) is subsequently revised, the President shall within ten days transmit to the Congress and the Comptroller General a supplementary message stating and explaining such revision. Any such supplementary message shall be delivered, referred, and printed as provided in subsection (b); and the Comptroller General shall promptly notify the House of Representatives and the Senate of any changes in the information submitted by him under subsection (c) which may be necessitated by such revision.

(e) **Printing.**—Any special or supplementary message transmitted pursuant to this section shall be printed in the first issue of the Federal Register published after such transmittal.

(f) **Publication of impoundments.**—The President shall publish in the Federal Register, each month a list of any budget authority impounded as of the first calendar day of that month. Each such list shall be published no later than the tenth calendar day of the month and shall contain the information required to be submitted by special message pursuant to subsection (a).
Sec. 1002. Disapproval of impoundments by House or Senate.

Any impoundment of budget authority set forth in a special message transmitted pursuant to section 1001 shall cease if within sixty calendar days of continuous session after the date on which the message is received by the Congress the specific impoundment shall have been disapproved by either House of Congress by passage of a resolution in accordance with the procedure set out in section 1004. The effect of such disapproval shall be to require an immediate end to the impoundment.

Sec. 1003. Definition of Impoundment.

For purposes of this title, the impounding of budget authority includes—

(1) withholding or delaying the expenditure or obligation of budget authority (whether by establishing reserves or other-

wise) appropriated for projects or activities, and the termination of authorized projects or activities for which appropriations have been made, and

(2) any other type of Executive action or inaction which effectively precludes the obligation or expenditure of authorized budget authority or the creation of obligations by contract in advance of appropriations as specifically authorized by law.

Sec. 1004. Congressional Procedures.

(a) **Definition of resolution; Continuity of session.**—

(1) For purposes of this section and section 1002 the term "resolution" means only a resolution of the House of Representatives or the Senate which expresses its disapproval of an impoundment of budget authority set forth in a special message transmitted by the President under section 1001, and which is introduced and acted upon by the House of Representatives or the Senate (as the case may be) before the end of the first period of sixty calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress.

(2) For purposes of this section, and section 1002, the continuity of a session shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the sixty-day period referred to in paragraph (1) of this subsection (and in section 1002) and the thirty-day period referred to in subsection (c) (1). If a special message is transmitted under section 1001 during any Congress and the last session of such Congress adjourns sine die before the expiration of sixty calendar days of continuous session (or a special message is so transmitted after the last session of the Congress adjourns sine die), the message shall be deemed to have been retransmitted on the first day of the succeeding Congress and the sixty-day period referred to in paragraph (1) of this subsection and in section 1002 (with respect to such message) shall commence on such first day.

(b) **Referral.**—Any resolution introduced with respect to a special message shall be referred to the Committee on Appropriations of the House of Representatives or the Senate, as the case may be.

(c) **Discharge of Committee.**—

(1) If the committee to which a resolution with respect to a special message has been referred has not reported it at the end of thirty calendar days of continuous session after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same message which has been referred to the committee.

(2) A motion to discharge may be made only by an individual favoring the resolution, may be made only if supported by one-fifth of the Members of the House involved (a quorum being present), and is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same special message); and debate thereon shall be limited to not more than one hour, to be directed equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same special message.

(d) **Floor consideration.**—

(1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a special message, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommend, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(e) **Motions.**—Motions to postpone, made with respect to the consideration of a resolution with respect to a special message, and motions to proceed to the consideration of other business, shall be decided without debate.

(f) **Appeals.**—All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to any resolution referred to in this section shall be decided without debate.

Sec. 1005. Reports of Impoundments by Comptroller General.

If the Comptroller General finds that the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any other officer or employee of the United States has impounded any budget authority authorized or made available for a specific purpose or project or has ordered, permitted, or approved the impounding of any such budget authority by any other officer or employee of the United States, and the President fails to transmit a special message with respect to such impoundment as required by this title, the Comptroller General shall report such impoundment and any available information concerning it to both Houses of Congress; and the provisions of this title shall apply with respect to such impoundment in the same manner and with the same effect as if such report of the Comptroller General were a special message submitted by the President under section 1001, with the sixty-day period provided in section 1002 being deemed to have commenced at the time at which the Comptroller General makes the report. As used in section 1004, the term "special message" includes a report made by the Comptroller General under this section.

Sec. 1006. Suits by Comptroller General to enforce controls.

The Comptroller General is hereby expressly empowered as the representative of the Congress through attorneys of his own selection, with the approval of the Congress in any particular case, to sue any department, agency, officer, or employee of the United States in a civil action in the United States District Court for the District of Columbia to enforce the provisions of this title, and such court is hereby expressly empowered to enter in such civil action any decree, judgment, or order which may be necessary or appropriate to secure compliance with the provisions of this title by such department, agency, officer, or employee. Within the purview of this section, the Office of Management and Budget shall be construed to be an agency of the United States, and the officers and employees of the Office of Management and Budget shall be construed to be officers or employees of the United States.

Sec. 1007. Repeal of existing impoundment reporting provision.

Section 203 of the Budget and Accounting Procedures Act of 1950 is repealed.

Sec. 1008. Disclaimer.

Nothing contained in this title shall be construed as—

(1) asserting or conceding the constitutional powers or limitations of either the Congress or the President;

(2) ratifying any impoundment heretofore or hereafter executed or approved by the President or any other Federal officer or employee, except insofar as pursuant to statutory authorization then in effect; or

(3) affecting in any way the claims or defenses of any party to litigation concerning any impoundment ordered or executed before the date of the enactment of this Act.

Mr. ROTH. Mr. President, this is an argument I have made before in this Chamber, so I will try to keep my remarks brief. The amendment follows very closely the language of the House passed bill H.R. 7130 in which the issue of impoundments was thoroughly debated and upheld by a vote of 295 to 108. I have introduced this House title as a substitute for the existing title X of S. 1541, but I want to point out to my colleagues that I have added one important feature.

Under the language in H.R. 7130, the Comptroller General is required to rule on his interpretation of the legality of any impoundment, to act, in a sense, as the Congress agent, so that every reservation of funds need not necessarily be presented for a vote of affirmation or rejection. This is only sensible, since I feel that many of us agree that the Executive should have certain limited authority to save public money when this is done in the spirit of prudent administrative and managerial responsibility. But I have added the following clause, to insure that the Comptroller has the ability to challenge wholesale impoundments that might distort or even negate the intent of Congress.

That language is that—

The authority hereby conferred shall not be used for the purpose of eliminating a program, the creation or continuation of which has been authorized by Congress.

THE IMPORTANCE OF BALANCE

Mr. President, earlier in this debate over the budget reform bill, I made an earnest plea to have Congress put some teeth back into the legislation, to have us construct a system, a mechanism under which the budget resolution would become a meaningful step in the annual cycle of budget decisions. I feel most strongly that a resolution, easily breached, is no resolution at all. Instead, it is a device to allow Congress the luxury of touting reform without being constrained by any real discipline.

As I see the legislator at this point, I feel that the President must have some latitude to recommend program reservation, provided that he can not use this authority to totally subvert the will of Congress.

Specifically, this language seeks to change the thrust of the language in title X. My amendment would provide that impoundments made by the President will stand unless Congress overrules him. I think this makes only good sense. Let

me point out why. Congress adopts, from time to time, a debt ceiling. The President, under the Constitution, has the responsibility and the obligation to abide by that debt ceiling.

He cannot spend in a manner that would exceed that ceiling, so long as there is no further action by Congress.

Yet if we passed this legislation as submitted, next year we could be putting the President in an inflexible position unless Congress chooses to act.

Last fall, Congress adopted a debt ceiling that is consistent with \$250 billion in spending during the current fiscal year. Any spending beyond that amount would exceed the debt ceiling and violate it. So if the President is withholding for that purpose, he is merely trying to abide by the ceiling adopted by Congress, and that only makes sense to me.

But what we are saying under the present title is that the President could not use any Executive discretion at all. Unless Congress saw to it that all of its actions were truly consistent, we could possibly be in the ambiguous position of not complying with the debt ceiling, and that could raise all kinds of ramifications.

Let me stress that Congress has the opportunity to disprove any Presidential impoundment action by a simple majority vote, in either House. That is hardly an overwhelming task for us. We approve and disapprove hundreds of motions every year.

Second, we will not be bombarded with referrals to the floor. The Comptroller General will act as a filter, picking out those actions he feels have been taken without proper statutory authority. His expertise and counsel should help us to deal with this problem more expeditiously.

The existing title X, based on a bill submitted recently by Senator ERVIN, would ban all but the most tightly defined impoundments, and give the Comptroller General the right to sue, in our behalf, to have an action overruled in court. But should this be a matter we delegate to the courts? Are we saying that Congress, which most closely represents the interests of the program recipients, should wash its hands of the matter, delegating it to the GAO and the courts?

I, for one, feel we would be abdicating our authority and responsibility, if we did. Why under the system I propose, our House of Congress could settle the issue in a day, in a matter of hours, if it took such umbrage with a Presidential impoundment referred through the Comptroller. All that would be required under expediting rules is a simple resolution of disapproval from the Appropriations Committee and a simple majority vote of one house. With a minimal quorum present, as few as 26 Senators could overrule the President under my proposal.

Mr. President, I would like to make a couple of observations. I think most of the principal points have already been covered.

First, I should like to reemphasize that at one time, the distinguished principal sponsor of this title proposed the use of congressional disapproval.

Second, the chairman of the House Appropriations Committee apparently feels that this is an appropriate method of bringing about some control, as does a firm majority of the entire House. So it is hardly a partisan fight. We are all faced with the real, and ever present problem of gaining effective control over our actions.

But I think the most important point to make is that Congress will not be fulfilling its responsibility merely by the impoundment proposal now contained in S. 1541. We would be making it impossible, really, to bring the budget within control. The House and the Senate do not—I would like to emphasize do not—consider each appropriation in the context of the whole budget. And under the mechanism the Senate has approved, I suspect we will not depart too far from our present day patterns of behavior.

If we really are going to be fiscally responsible, we ought to adopt a legislative budget, break it down by priorities, and set the limits of each of those categories. We are not doing that. But here we are saying to the President, "You cannot impound unless the courts get around to approving your action." We could get by, doing nothing, just sitting on our hands. We would not be required to indicate our vote.

I think it should be our obligation, when impoundments are reported, that we stand up and be counted.

At the present time, the President does not have a very effective voice in the final enactment of spending bills. We have 13 regular appropriations, each including many items. They come late in the year. Normally it is impossible for the President to veto them.

I feel that this bill in its present form will only continue the fragmented budgetary process; and by passing this measure, we are going to make it more difficult to bring control into the picture.

The President is impounding now because Congress has not been willing to live within a budget and establish difficult priorities. He is acting because there is a vacuum. I think it is our responsibility to adopt both a comprehensive procedure which will insure that Congress has to "face the music," and failing that, at least has to be counted on the occasion of any impoundment which the Comptroller feels has been made outside the legitimate territory of statutory guidelines.

Mr. MUSKIE. Mr. President, may I say first that title X as a way to deal with the impoundment issue was developed as a way to cut through the impasse between the House and Senate versions of the impoundment legislation.

The version enacted by the Senate, three times in the Congress, provides very precisely that impoundment shall not take effect unless approved by Congress.

The House version provides that impoundment shall take effect unless disapproved by Congress.

Clearly, the difference between the two is that with the House version, the burden is placed on Congress to act. With respect to the Senate version, the appropriation initially approved by Congress

stands until Congress itself agrees to the modification.

What we are talking about in impoundment legislation is to strengthen the hand of Congress in a situation where power has shifted toward the President because of his excessive use of authority under the Antideficiency Act. Those two pieces of legislation enacted in two Houses, so diametrically opposed to each other, have left us in an impasse for several months. Neither side was interested in going to conference because there was no way of compromising those two fundamentally contrary theories.

It is for that reason that Senator ERVIN and I introduced legislation, which is now incorporated in title X of the bill, which seeks to cut through the impasse. We seek to do it by a simple amendment of the Antideficiency Act.

It might be useful if I explain the technique.

The purpose of title X is to define and clarify the authority of the President and other officers and employees of the executive branch to place appropriated funds in reserve. The Antideficiency Act, as amended in 1950 (31 U.S.C. 665), permitted executive officers to establish reserves "to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available." The language of section 1001 in the pending measure retains the authority to establish reserves for contingencies, or to effect savings whenever savings are made possible by changes in requirements or greater efficiency of operations. That language in the Antideficiency Act is retained. Indeed, it is essential in terms of sensible administration of programs authorized by Congress. But the "other developments" clause would be deleted by this bill because it has been treated by some officials of the executive branch as a justification for establishing reserves because of economic or other developments. Clearly that use was never intended by the Congress. It is that use which has provoked this controversy over impoundments.

Section 1001 further defines the boundaries of the Antideficiency Act by prohibiting the use of reserves for fiscal policy purposes or to achieve less than the full objectives and scope of programs enacted and funded by Congress. The apportionment process is to be used only for routine administrative purposes such as to avoid deficiencies in executive branch accounts, not for the making of policy or the setting of priorities.

The committee's amendments to the Antideficiency Act are fully consistent with the legislative intent and history of the 1950 amendment. The 1950 language was anticipated in a June 5, 1947 joint report by the Bureau of the Budget and the General Accounting Office. The Senate Committee on Appropriations had asked the two agencies to recommend ways of improving the Antideficiency Act. The resulting report, which recommended clarified authority for setting aside reserves for contingencies and

savings, stated that the authority "must be exercised with considerable care in order to avoid usurping the powers of Congress." In reporting the antideficiency language in 1950, the House Committee on Appropriations explained that the technique of setting aside reserves was not to be used to thwart the will of Congress: "It is perfectly justifiable and proper for all possible economies to be effected and savings to be made. But there is no warrant or justification for the thwarting of a major policy of Congress by the impounding of funds." H. Rept. No. 1797, 81st Cong., 2d Sess., p. 311. Moreover, nothing in the language or legislative history of the Antideficiency Act suggests in any way that Congress intended the executive branch to place funds in reserve as part of economic policy.

That the committee's amendments to the Antideficiency Act are also consistent with recent decisions by Federal courts is demonstrated with regard to withholding funds for fiscal policy purposes. Judge Oliver Gasch of the U.S. District Court for the District of Columbia disagreed with the administration that the executive branch could withhold funds simply because it—

Desires to control overall federal spending or to give priority to other programs which it believes are more laudable. Control of federal spending is an entirely laudable objective, but there is no authority either in Article II of the Constitution or in the case law, for the defendants' position that they may achieve this by refusing to comply with the terms of a statute.

Massachusetts v. Weinberger (Civ. Action No. 1303-73, D.D.C.) and *District of Columbia v. Weinberger* (Civ. Action No. 1322-73, D.D.C.). Reprinted at 119 Cong. Rec. S15044-46 (daily ed. July 30, 1973).

So, Mr. President, title X is designed to correct the problem that was generated by improper interpretation of the Antideficiency Act by the executive, to use it for purposes it was never designed to serve. So, in order to break the impasse between the House and the Senate, which has left us in a stalemate on this issue for the past several months, this technique was developed by Senator ERVIN and myself. I think it makes a great deal of sense. It makes a great deal of sense that it be included in a piece of legislation dealing with congressional procedures dealing with the budget, procedures designed to develop budgetary and fiscal discipline in the ways in which Congress manages its fiscal affairs.

It is our belief, those of us who have participated in the development of this legislation, that it will have that effect. If it will not, then this is all a hopeless exercise. If it will not, Congress will find other ways to be spendthrift, I am sure. But if budget reform legislation achieves its objective of fiscal discipline in the Congress and in the executive, there will be no need in the future for the kind of confrontation between the executive branch and the Congress which has been represented by this impoundment issue.

May I make the point that the impoundment issue has reached several of

the district courts. It has been decided by one circuit court and in nearly every case where there has been a judicial decision, the result has been favorable to the congressional position on impoundment, justifying—at least, from the point of view of this Senator—my interpretation of the legislative history behind the Antideficiency Act.

So I think that the technique in this bill devised by Senator ERVIN and myself is right on point. It deals with the problem in a precise way. It simply extends the Antideficiency Act in accordance with its initial philosophy.

For that reason, in order to settle this issue, and in order to get it resolved, in order to get impoundment legislation adopted, I would oppose the amendment of the distinguished Senator from Delaware, who has contributed much to the development of this budget reform legislation, but who I believe is eminently wrong on this issue.

Mr. ROTH. Mr. President, I agree with the distinguished Senator from Maine that the question of impoundment should be resolved. I believe very strongly that the President should not use the power of impoundment to kill or basically eliminate any program that has been authorized by Congress. As I mentioned earlier, it was for that reason that I did add a proviso to the House version that would make that perfectly clear in the legislation.

What concerns me is the cure. It seems to me that Congress, itself, and not the courts should be the one to decide whether or not an impoundment should be put into effect. I believe that is the responsibility of Congress. There has been much talk in recent months and in recent days not only about the President improperly using the impoundment, but likewise, about Congress not living up to its full responsibility.

All I am proposing is that the enforcement procedures be put in Congress rather than in the courts. I should like to point out that what I have proposed is not a partisan matter. As a matter of fact, it has been adopted by the U.S. House of Representatives, of which the Democratic Party is the majority. So what we are arguing about today is not, as I said, partisan in nature.

Second, it seems to me that what we are saying here is that Congress does have a responsibility to look at each proposed impoundment of the President. My proposal would give greater authority to Congress, as we could kill any impoundment, whether or not it was within the antideficiency legislation.

For that reason, I urge the adoption of my amendment, on the grounds that, in my judgment, it would bring a greater voice in governmental affairs to Congress and greater responsibility to its Members.

Mr. President, I intend to ask for the yeas and nays at the appropriate time.

Mr. MUSKIE. Mr. President, the distinguished Senator and I are interested in resolving this impoundment issue. He would prefer to see it resolved in Congress rather than in the courts.

May I say, in commenting on that, that the only progress toward resolving

it has been made in the courts, and no progress has been made in Congress. On that record, I do not think we should adopt a procedure which excludes the judicial process from a resolution of the issue.

I repeat that all title X does is to incorporate the original intention of the Antideficiency Act, so that it will clearly not support the abuse of the impoundment authority which the courts have documented, the abuse of the impoundment authority as exercised by this administration.

So if the Antideficiency Act was originally sound—and I believe it was—as originally intended, all title X does is to reestablish it on its original base. I do not see how there can be serious quarrel with that objective.

Mr. PERCY. Mr. President, I have agreed to many of the efforts of the distinguished Senator from Delaware and what he has tried to accomplish. Ever since he became a Member of the Senate, he has been the voice and the conscience of the taxpayer. He has been the watchdog over the Treasury, and has served with distinction on both the Joint Study Committee on Budget Control and the Government Operations Committee working on this bill. As I said the other day, he has become a worthy successor to another great Senator from Delaware, Senator WILLIAMS.

In this case, I think we have agreement in philosophy, but a difference in how we implement our philosophy.

I was interested when Arthur Burns, in talking of the budget reform legislation, made this comment with respect to impoundment of funds:

Once those procedures are modified to enable Congress to regain control over total outlays and to determine priorities among competing programs, there should be no occasion for broadscale impounding of funds by the President.

That, of course, is the hope all of us have.

I have the feeling that sometimes when we have been able to shift responsibility, we have not always taken the action we would take or the position we would assume if our action were final and had to stand.

I have no hesitancy in saying that I have heard Members of this body vote on issues, and then when they have been asked, "How can you justify such a large spending figure?" they have said to me, "Oh, the House is going to cut it, anyway." That was a recognition that what we did was vote for too much, but what we were actually doing was voting a bargaining position. We did not believe—in fact, we hoped—that the House would not accept the figure because the figure we put in would be an irresponsible one.

I presume that in years past, as Presidents have impounded funds, Congress, as a whole, has in a sense said, "Well, we will send it downtown. Let them take the rap down there for not spending the money. After all, it will be their decision. We added money to the program. We provided the funds; and if the President wants to take the rap for cutting them back, then let him do it."

I have seen President Johnson have to step up and stop the construction, in the middle of a building boom in Chicago, of a second big Federal building, because he felt it would simply add to inflation, that it would be a misuse of funds at that particular time. Why not build certain of our Federal buildings—those that are not urgently needed—at a time when we need a stimulant to the economy, rather than when they would add to inflation? We have seen the same in the spending of highway trust funds, and so forth.

I believe that the whole philosophy of what we are trying to accomplish in this bill is now to have Congress take back the responsibility that the Constitution gives us and to have us say to ourselves that once we put these figures in and commit spending at these levels, we have to count on the fact that they are going to be spent. Now we have had district courts support the fact that their interpretation of the situation is such that the President cannot impound these funds, and in effect they must be spent.

Therefore, I feel that we should now put Congress in the position where it has to bite the bullet; it has to take the final responsibility; and it cannot pass the buck to the executive branch of the Government and say, "We are going to pass all these bills and then if it is improper if it should not be done, if it is going to have an adverse effect on the economy, whatever it may be, you take the rap for impounding them." We are going to have to take the rap. I want us to take the rap; because if we have that final responsibility, we may not authorize that much money in the first instance and we may once again become what the Constitution expected us to be—the watchdog of the Treasury—by keeping that responsibility right here in Congress, where it belongs.

We are doing so now, with the provisions of this bill, providing for ourselves adequate staff, adequate research, and adequate backup for these positions.

For that reason, I would tend to oppose—in fact, I will have to vote against—the amendment offered by the distinguished Senator, though I respect very much his overall efforts, with a great portion of which I have found myself in agreement.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I should like to answer the distinguished Senator from Illinois. There is not a great deal of need to continue the discussion further, as this matter has been much debated.

What I am saying to him is that the legislation in title X, in its present form, simply means that Congress is passing the buck. It is passing the buck to the courts. What I am asking is that we take that power back here, that Congress should determine whether or not an impoundment should go into effect.

I point out, further, that under my amendment—which, as I noted earlier, has been adopted by the House—only a simple majority of either House is required to veto an impoundment of the

President. I think that has great advantages. First of all, it does provide some flexibility in Federal spending. I believe that the average citizen in this country feels that this Government spends too much unwisely, and will heartily endorse any efforts we make to cut back on Federal spending.

Second, I agree with those who say that the President should not preempt a program by impoundment. He will not be able to do that under my amendment. We are merely giving the Congress the effective voice to say yes or no to any proposal of the President.

Mr. President, I urge adoption of my amendment in order to bring more power back to Congress rather than passing the buck to the Federal courts.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. ROTH. I yield back my time.

The PRESIDING OFFICER. Does the Senator from Illinois yield back the remainder of his time?

Mr. PERCY. Mr. President, as far as I know there are no Senators who wish to speak on this matter.

I yield back our time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Delaware. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll. Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

I further announce that the Senator from Colorado (Mr. DOMINICK), the Senator from Nebraska (Mr. HRUSKA), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from South Carolina (Mr. THURMOND).

If present and voting, the Senator from Oregon would vote "nay" and the Senator from South Carolina would vote "yea."

The result was announced—yeas 28, nays 60, as follows:

[No. 33 Leg.]
YEAS—28

Allen	Cook	Hansen
Baker	Cotton	Helms
Bartlett	Curtis	McClure
Beall	Dole	Roth
Bellmon	Eastland	Stennis
Bennett	Fannin	Stevens
Brock	Fong	Taft
Buckley	Goldwater	Tower
Byrd	Griffin	Weicker
Harry F. Jr.	Gurney	

NAYS—60

Abourezk	Hollings	Nunn
Bayh	Huddleston	Packwood
Bentsen	Hughes	Pastore
Bible	Humphrey	Pearson
Biden	Inouye	Pell
Brooke	Jackson	Percy
Burdick	Javits	Proxmire
Byrd, Robert C.	Johnston	Ribicoff
Cannon	Magnuson	Schweiker
Case	Mansfield	Scott, Hugh
Chiles	Mathias	Scott,
Church	McGee	William L.
Clark	McGovern	Sparkman
Cranston	McIntyre	Stafford
Domenici	Metcalf	Stevenson
Ervin	Metzenbaum	Symington
Gravel	Mondale	Talmadge
Hart	Montoya	Tunney
Hartke	Moss	Williams
Haskell	Muskie	
Hathaway	Nelson	

NOT VOTING—12

Aiken	Hatfield	McClellan
Dominick	Hruska	Randolph
Eagleton	Kennedy	Thurmond
Fulbright	Long	Young

So Mr. ROTH's amendment was rejected.

Mr. MUSKIE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had disagreed to the amendment to the Senate to the bill (H.R. 11793) to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOLIFIELD, Mr. ROSENTHAL, Mr. ST GERMAIN, Mr. FUQUA, Mr. HORTON, Mr. ERLÉNBERG, and Mr. WYDLER were appointed managers on the part of the House at the conference.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

Mr. SCHWEIKER. Mr. President, some people seem to think Federal spending is about like death and taxes; nobody likes it, but not much can be done about it.

I reject that. Not only can we do something about Federal spending, but if we are going to preserve the economic vitality of the United States, we must do something about it. Federal spending sets the pace for the rest of our economy—and as long as Federal spending is out of control, our galloping inflation is going to continue out of control. We simply cannot afford this any longer.

During the first session of the 93d Congress, I introduced S. 1213, the Federal Spending Control Act of 1973. I am pleased that the legislation before us today, S. 1541, has adopted the basic features of my bill: A strict Federal spending ceiling, tight controls on backdoor spending, and creation of a congressional budget committee to impose businesslike discipline over the entire Federal spending process.

Back in 1972, I joined a majority of my colleagues in both houses in fighting for a \$250 billion budget ceiling—and such a ceiling finally passed both Houses of Congress after a bitter fight. But it was never enacted into law, because the President and the Congress could not agree on where the cuts would be made. Last year, when I introduced S. 1213, I favored a spending ceiling substantially less than the President's proposed budget request for that year. So the issue is not between the spenders in Congress and the savers in the executive branch. Mr. President, the issue is a battle of priorities, a debate over how the same amount of our tax dollars should be spent. I believe our constitutional form of Government requires that the representatives of the people, in the House and the Senate, make these crucial decisions. S. 1541 will finally give us the machinery to do that, and I strongly support this measure.

In closing, let me stress that S. 1541 is only a first step. Reform of the Federal spending process must be coupled with reform of the Federal taxing process. It is high time we end the special interest tax breaks, the "golden gimmick" which has encouraged the major oil companies to raise world oil prices by giving them a dollar for dollar tax credit against U.S. income tax for foreign royalties paid, and the regressive taxes imposed on our poor and elderly. S. 1541 is a strong first step, but I intend to continue fighting for comprehensive tax reform, this session.

Mr. RIBICOFF. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is as follows:

On page 129, line 16, strike out "401(c)" and insert in lieu thereof "401(c)(2) (A) and (B)".

On page 129, strike out lines 17 through 19 and insert in lieu thereof the following: "(2) with respect to any matter referred to in section 401(d);".

On page 149, beginning with line 19, strike out all through line 5 on page 151, and insert the following:

(2) Report by Appropriations Committees.—Whenever any bill or resolution which provides new advanced spending authority described in subsection (c)(2)(C) is reported by any committee of the Senate or the House of Representatives, the Committee on Appropriations of that House may,

within 10 calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so reported, submit a report to its House setting forth its recommendations with respect to the level of new advance spending authority provided by such bill or resolution, such report to be issued as a separate report by the Committee on Appropriations or to be included in the report of the committee reporting such bill or resolution. It shall not be in order in that House to consider such bill or resolution until the Committee on Appropriations of that House has submitted the report required by this paragraph or, if such Committee fails to submit such report, until the expiration of such 10-day period.

On page 158, strike out lines 16 through 20, and insert the following:

"4. As provided in section 401(b)(2) of the Congressional Budget Act of 1974, reports on new advance spending authority described in section 401(c)(2)(C) of that Act."

On page 159, strike out lines 7 through 11, and insert the following:

"(d) As provided in section 401(b)(2) of the Congressional Budget Act of 1974, reports on new advance spending authority described in section 401(c)(2)(C) of that Act."

Mr. RIBICOFF. Mr. President, this amendment is a modified version of my printed amendment No. 1044. My amendment in no way affects the discipline imposed by the bill. It relates only to the jurisdictional question affecting certain specific types of legislation.

Mr. President, S. 1541 is designed to promote fiscal responsibility by reforming the budget process so as to make it reflect congressional priorities. It will establish a framework, reflecting Congressional priorities, which will provide a discipline under which all congressional action affecting the budget can be seen in an overall context.

I strongly support S. 1541 for the discipline it creates and for the central role it gives congressional decisionmaking.

As I have said, my amendment in no way affects the discipline imposed by the bill. It relates only to a jurisdictional question affecting certain specific types of legislation. The amendment would delete the requirement that legislation affecting certain programs be referred to the Appropriations Committee, but instead offers that committee an opportunity to report on this legislation before the Senate acts on it.

Under S. 1541, legislation creating a new entitlement to payments or increasing existing entitlements must be referred to the Appropriations Committee for a period of 10 days after it is reported by a substantive committee. This requirement of referral to the Appropriations Committee would not affect existing trust fund programs but it would apply to such programs as veterans' compensation, veterans' pensions, veterans' educational benefits, payments to needy, aged, blind, and disabled persons, medical assistance to the needy, and food stamps.

This additional referral to the Appropriations Committee was not requested by that committee and it will occur at a time when the Appropriations Committee will be fully occupied in attempting to process all appropriations legislation.

Mr. President, it has been my experience that entitlement programs handled by the Finance Committee often involve complex legislation. Usually, this legislation does not merely add dollar costs to a program but instead reflects many complicated changes in the law. The value of our committee system in the Senate is that it permits each committee to develop expertise in the area it handles. For example, major legislation enacted in recent years has made dozens of modifications in the programs of aid to the aged and in medicare, and these changes have not merely represented payment increases.

Furthermore, the re-referral in S. 1541 is required even when the substantive committee reports legislation whose budgetary impact has been fully provided for in the congressional budget. Since the bill creates a discipline for the Congress, there is no need for an additional step which adds nothing to that discipline.

The Senate is, I am sure, aware of my interest in our programs for veterans. I have always been concerned that when we increase social security benefits, we assure that veterans do not suffer a loss in pension benefits. It has been the pattern of the Congress to meet this problem by rewriting the veterans' pension provisions in the law. This is a matter requiring careful work, and is not simply a matter of adding additional funds to the veterans' pension program.

My printed amendment in its original form would have deleted the process of referring certain legislation to the Appropriations Committee. In its modified form now pending, worked out with the staff of the Senator from Maine, my amendment will provide the Appropriations Committee an opportunity to report on the legislation before it is considered by the full Senate.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. HUMPHREY. I rise only to extend my support to this very worthy amendment. Many of us have been deeply concerned about this subject matter, particularly when we get to the matter of social security increases and what has been the effect on some of the other pension rights our citizens are entitled to. We always depend on the Senator from Connecticut to help us out on these matters, and I extend my full support to his amendment.

Mr. RIBICOFF. I thank the Senator.

Mr. President, among the cosponsors of this amendment are the distinguished chairman of the Committee on Finance (Mr. LONG), the distinguished chairman of the Committee on Labor and Public Welfare (Mr. WILLIAMS), the distinguished chairman of the Committee on Veterans' Affairs (Mr. HARTKE), and the distinguished chairman of the Committee on Public Works (Mr. RANDOLPH), who all feel that this is a most important amendment and should be adopted.

I ask unanimous consent that communications in support of this proposal from the National Association of Concerned Veterans, the American Legion, the Disabled American Veterans, the

Veterans of Foreign Wars, and the AMVETS be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

NATIONAL ASSOCIATION OF
CONCERNED VETERANS,
Washington, D.C., March 20, 1974.

HON. ABRAHAM A. RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: The Congressional Budget Act of 1974, S. 1541, provides many sensible and much needed budget reforms. However, the National Association of Concerned Veterans strongly opposes section 401 of this measure.

Section 401 details a provision requiring a number of veterans' entitlement programs to be re-referred to the Appropriations Committee for possible imposition of spending limits—before reaching the Senate floor. Certain non-veterans' entitlement programs are to be exempted from this re-referral provision.

Aside from objecting to the obvious discriminatory nature of section 401, NACV believes this re-referral provision to be unnecessary. Other provisions of S. 1541 establish effective controls over veterans entitlement programs.

The NACV, formerly the National Association of Collegiate Veterans, consists mainly of young veterans currently training under the GI Bill, and many who receive disability compensation.

The NACV fully endorses your amendment to S. 1541 which would eliminate this referral process. We thank you for taking such action, and urge Senate adoption of your amendment.

Respectfully yours,

JAMES M. MAYER, President.

WASHINGTON, D.C.

Senator ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

The American Legion supports your proposed amendment to exempt veterans benefits legislation from the re-referral provisions of section 401 of S. 1501, the budget reform bill now under consideration by the Senate. We oppose that provision which would permit the Appropriations Committee to limit spending authority of any veterans entitlement legislation referred to it. As you know, veterans benefits including compensation, pensions, educational assistance and medical and hospital treatment represents only 4.4 percent of the total Federal budget not withstanding a 21-percent increase in the Nations veterans population in recent years.

The American Legion believes that the cost of veterans benefits is a delayed cost of war. To subject the veterans entitlement program to the re-referral provision of section 401 would not control back door spending and would vest partial jurisdiction over veterans legislation in another committee. To single out the veterans benefit program for re-referral is unnecessary and discriminatory and would impede the progress of needed legislation.

Your continued interest in protecting the rights of veterans is deeply appreciated.

HERALD STRINGER,
National Legislative Director, the American Legion.

DISABLED AMERICAN VETERANS,
March 21, 1974.

HON. ABRAHAM A. RIBICOFF,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR RIBICOFF: The Disabled American Veterans is greatly concerned over the adverse affect that the re-referral provisions of Section 401 of the Congressional

Budget Act (S. 1541) could have upon the nation's programs of veterans' benefits and services.

We firmly believe that referral of veterans' entitlement legislation to the Committee on Appropriations is unwarranted, and we strongly support the amendment that you will offer to delete this discriminatory section from the bill.

Sincerely yours,

CHARLES L. HUBER,
National Director of Legislation.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., March 21, 1974.

HON. ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: The Veterans of Foreign Wars is extremely pleased that you propose to offer an amendment on Thursday, March 21, to S. 1541, the Congressional Budget Act of 1974, which, if approved, will delete a highly discriminatory provision regarding veterans statutory and entitlement programs.

I am referring to the re-referral provision for veterans entitlement legislation in S. 1541. A thorough analysis of this provision leads to the conclusion that it is unwarranted and unnecessary and discriminates against veterans programs.

Because it is most important to the Veterans of Foreign Wars, our Commander-in-Chief Ray Soden is sending a letter to each of your 99 colleagues urging them to vote in favor of your amendment to delete the re-referral provision as it relates to veterans programs.

You have the highest commendation for your initiative and leadership in bringing this matter to the attention of your Senate colleagues and Senate acceptance of your amendment will be deeply appreciated by the more than 1.8 million members of the Veterans of Foreign Wars.

A copy of Commander-in-Chief Soden's letter is enclosed.

With kind personal regards, I am
Sincerely,

FRANCIS W. STOVER,
National Legislative Service.

WASHINGTON, D.C.

Senator VANCE HARTKE,
Capitol Hill, Washington, D.C.

Amvets urges the adoption of Senator Ribicoff amendment to Senate bill S1541 as it pertains to excluding veterans programs from fixed budgetary allocation.

Commander BARRY AVADANIAN,
National Commander Amvets.

Mr. MUSKIE. Mr. President, the proposed amendment of the distinguished Senator from Connecticut has not yet been cleared with all Senators who are interested in the issue at this time, so I wonder if it might not be helpful if I took a few moments to explain why this provision is in the bill, and what purpose we hope the revised amendment of the distinguished Senator from Connecticut would serve. It is a complex issue to understand. This statement is not intended as a direct thrust at the Senator's amendment, but at the overall problem of entitlement legislation.

REASONS WHY ENTITLEMENTS MUST BE REPORTED TO APPROPRIATIONS COMMITTEE

Entitlements are easy to give but virtually impossible to take away. They are the least controllable portion of the Federal budget and the portion most in need of reform. Unless Congress establishes a procedure to bring them under

effective control, the objective of budget reform will be seriously compromised.

Entitlement authority exists when Congress vests a person or Government with certain benefits. An obligation to pay the benefits is thus established in advance of or without appropriation. Often such entitlements are open-ended with the actual amount of expenditure determined by outside forces—such as the size of the beneficiary population. In these instances, the budget merely contains an estimate of the amount that will be required in the fiscal year to pay the obligations. In recent years, the budget has tended to underestimate the benefits that will have to be paid with the result that actual expenditures have exceeded the budgeted amounts.

Many entitlements are in the form of permanent appropriations; that is, the money becomes available without any current action by Congress. Even when an entitlement is funded through appropriations, Congress has no genuine control over the matter, for a legal or moral obligation already exists.

Well over \$100 billion in the 1975 budget takes the form of mandatory entitlements which are uncontrollable under current law. These entitlements are the fastest growing portion of the budget and they account in good part for the mandatory year-to-year rise in Federal spending. Of the \$30 billion escalation in the 1975 budget, at least half of the increase occurs in entitlement programs. This means that even before the President or Congress makes a single decision on 1975 programs and priorities, they are faced with approximately \$20 billion more in spending than in the previous year.

The only point at which entitlements can be controlled—the only point at which Congress can make meaningful decisions—is before the entitlement is established. Afterwards it is too late, not only for this year but for future years as well. This is the reason why S. 1541 establishes a special procedure for the consideration of entitlement legislation. Under section 401, entitlement legislation would have to be referred to the Appropriations Committee—under a 10-day limit—from the committee of original jurisdiction. Thus, when the matter comes to the floor for determination, Members would have the legislation as reported by the authorizing committee as well as any amendments offered by the Appropriations Committee. At this point, the Senate would be in a position to determine the extent to which it wishes to establish an entitlement.

This procedure does not restrict in any way, the ability of Congress to establish new or expanded entitlements. Its sole intent is to relate entitlements to the appropriations process and thereby to give Congress additional information on the possible costs of the proposed program as well as the opportunity to consider any alternatives which may be put forward by the Appropriations Committee. But once Congress has acted to establish an entitlement, the program would function in precisely the same manner as it now does. The only change,

therefore, would be to give Congress more information and more alternatives.

It bears mentioning that this procedure stops short of the two-step procedure which is required of most programs. Most programs must go through both an authorizations process and an appropriation in order for funding to be made available. Under S. 1541, entitlement programs would only go through the authorizations process, but the Appropriations Committee would have an opportunity to consider the legislation prior to floor action.

Certain entitlement programs such as veterans benefits and public assistance go through the appropriations process each year. But at this stage, the appropriation is a completely perfunctory action for Congress must provide whatever funds are required for the obligation. In fact, if the appropriation does not suffice to cover the obligation, Federal law authorizes agencies to spend at a rate which would compel a deficiency appropriation. Consequently, the appropriation of funds after an entitlement has been established offers no opportunity for spending control.

The argument has been made that Congress does not require the new procedures for entitlements because they would be effectively controlled by the concurrent resolution on the budget. That is, funds to be spent pursuant to entitlements would be allocated in the budget resolution in the same manner as all other Federal programs. Therefore, why not place entitlements under the discipline of the new congressional budget process.

The trouble with this argument is that it does not reckon with the character of the budget process or with the peculiar problem of entitlements. The budget resolution in its present form functions as a target—not as a limitation on expenditures. Whatever virtue a target has for regular expenditures, it is not apt to be as effective for backdoor entitlements. The reason is that the congressional resolution on the budget will address spending for the ensuing fiscal year whereas an entitlement relates to future fiscal years, not only to the one covered by the budget. It is an appealing practice for Congress to establish entitlements in a way that imposes no additional cost on the current budget but mandates higher costs in future years. If this were done, the entitlement legislation might be within the target set in the budget resolution, but it would create an uncontrollable expense for future years. When the future year to which the entitlement applies comes, it would take effect automatically without any action by Congress and allocations would have to be made for it in the budget resolution.

In sum, the budget resolution relates only to the next fiscal year, while entitlements impose costs for many future years and often impose them permanently. It is erroneous therefore to look to the budget resolution for additional control over entitlements. As I have indicated, control can be achieved only before the fact in a manner that gives Congress full discretion and full information. For

this purpose, the referral procedure spelled out in S. 1541 is both a balanced and equitable way of weighing the costs and benefits of entitlement legislation.

Let me say something about that provision and then I will comment on the Senator's modified amendment.

The rereferral process provided in the pending legislation is designed to do just what I have described. It does not create new substantive jurisdiction with respect to entitlement legislation in the Appropriations Committee. It does not deprive present committees of any of their entitlement authorization. All it does is to provide that any entitlement legislation shall be referred to the Appropriations Committee for 10 days and only for the purpose of making whatever recommendations in the form of amendments or otherwise the Appropriation Committee believes is consistent with the overall budget objectives of Congress and the Government. The Appropriations Committee cannot change the legislation. The Appropriations Committee amendments will be sent to the floor for separate consideration as amendments to the legislation. The entitlement legislation will go to the floor in the form which it took reported from the authorization committee. So the purpose of this provision in the bill is to provide to the Senate and to the House additional information as to the impact on the budget of the entitlement authorization on the overall appropriations so that the Senate can take it into account before establishing the entitlement.

I think that that is the full extent of the committee provision. I think that the modified amendment presented by the distinguished Senator from Connecticut (Mr. Ribicoff) achieves the same objective or is designed to achieve the same objective. It is designed to make available to the Senate the same information that would be made available under the referral process established in the committee bill. It would be designed to give the Appropriations Committee the same opportunity, 10 days, to develop recommendations with respect to that entitlement legislation either in the form of amendments or purely in the form of information and recommendations.

So I think that both versions would serve those two purposes. The difference between the two is the fact that under the committee provision, the Appropriations Committee would consider the bill in a form of referral, for whatever difference that makes.

So far as I am concerned, the principal impact of that change is to deprive the proponents of a change in the argument that somehow the committee bill changes the jurisdiction of the authorization committee and the jurisdiction of the Appropriations Committee. I do not believe it does. I do not believe it was intended to do so. So I can go along with the modified Ribicoff amendment to that extent.

May I say to the Senator that all interested Senators have not yet had a full opportunity to consider the amendment. The distinguished manager of the bill on the Republican side is one. I do not

know what he is going to say about the amendment, but I think, at this point, it is appropriate that he have an opportunity to state what is on his mind.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I only wish I had been able to give him an instant reaction, but the amendment is such a profound one, and there were several forms. I commend the distinguished Senator from Connecticut for modifying it from the form in which we originally saw it, to bring it a little closer in line, but I am still troubled with it.

The principal reason I am troubled with it is that it may run counter to the representations the Senator from Illinois made to members of the Appropriations Committee. I can well recall the colloquy in which I engaged with my beloved colleague from the State of Washington (Mr. MAGNUSON). He took a position one night on the floor of the Senate that there is a possibility the budget reform bill could detract from or undercut the power, influence, and ability of the Appropriations Committee to control expenditures. They have exercised as best they could the power they had to restrain Federal spending and keep us a responsible body and not participate in what we have been seeing for the past 5 years, regrettably, I must say, of \$100 billion being added to the Federal debt. Yet the Appropriations Committee, in a sense, has been powerless because, as the little series of charts placed on every Senator's desk shows, chart 3, for instance, shows signals of trouble in the present system.

The first point I wanted to make very clear is that 75 percent of the budget is relatively uncontrollable.

Why, Mr. President, you tell that to businessmen, you tell that to the lobbyists around here who think they know a great deal about the Government, and they are absolutely astounded. Yet, those are the facts.

When I came to the Senate in 1967, I was flabbergasted to find that we really did not have a control. At that time, it was 63 percent that was uncontrollable. The trend has been steadily upwards. I imagine that we will get to the point, if we keep going as we are, when we will be as pure as Ivory soap, 99 and 44/100ths percent pure—uncontrollable; and we will have the remainder coming down here debating about it. But that is not the way to run our fiscal affairs.

The second problem is that only 44 percent of the budget is subject to the appropriations process. 56 percent bypasses the Appropriations Committee. I said that night on the floor, because I was thinking in terms of the way we had been carrying on our deliberations, that this bill would strengthen the Appropriations Committee because what it would mean is that a great deal of all this backdoor spending, particularly the entitlements, would now be referred to the Appropriations Committee.

The amendment does give some additional authority and control to the Appropriations Committee than otherwise because what it does say is that we shall have a period of 10 days to stop, look, and listen, and before that entitlement bill can come to the floor, or before ac-

tion can be taken. The Appropriations Committee would be given 10 days to look at it and then issue a report.

That might sound very good except all of us know how we operate. There is a vast difference—a subtle difference—but a vast difference between being able to issue a report, either a separate report or language in the report of another committee, and being able to offer a committee amendment. Under the bill, the Appropriations Committee would have the legislation before it for 10 days and would then send it to the floor with an amendment that says, "We cannot see how, once this spending limit has been established, this entitlement program can go forward and you can stay consistent. We recommend, therefore, that it be cut back 20 percent, 10 percent, 5 percent, 1 percent—or 50 percent." That then gives the Appropriations Committee a chance really to deal with the legislation, write a report of its own, attach it to the legislation, rather than having it incorporated.

There are certain programs that the Senator from Illinois very much favors. I must recognize the fact that when we tighten the procedures to make it more difficult, it may be that a bill the Senator from Illinois is most interested in seeing kind of slip through a little easier is the one that will be cut. But I really believe that we need a discipline. We must give to the Appropriations Committee the authority necessary to make its imprint on this, and remind us of where we are going.

I have not made a definitive decision because, as I have told the distinguished Senator from Maine, I have just barely read the modified amendment, but my tendency is to oppose it, although I certainly wish to keep my mind open until I have heard all the possible arguments in its favor. But my tendency right now would be to oppose the amendment.

Mr. NUNN. Mr. President, will the Senator from Illinois yield for a question?

Mr. PERCY. I yield.

Mr. NUNN. As the Senator from Georgia understands the present proposal, it would really, in effect, remove from the Appropriations Committee the review, with the power to amend and to make a report. Is that the understanding of the Senator from Illinois on this amendment?

Mr. PERCY. That is correct.

Mr. NUNN. Does the amendment further provide that the action on any entitlement which follows a concurrent resolution, which we feel would take place somewhere around June the 1st, that the entitlement legislation under the proposed Ribicoff amendment would take place during the summer months of June, July, and August, when all the other appropriations bills are being considered? Is that the Senator's understanding of the Ribicoff amendment?

Mr. PERCY. The Senator from Georgia is correct.

Mr. NUNN. Mr. President, a further question. Is it the Senator's understanding of the present legislation, S. 1541 as it emerged, that entitlement legislation could begin to be considered before June 1, if the Appropriations Committee had

the 10 days and did the review, thereby not compacting all the entitlement legislation and the appropriation legislation in a brief period of 3 months?

Mr. PERCY. The Senator from Georgia has once again demonstrated his profound knowledge and understanding of the legislation. That is correct.

Mr. NUNN. It is not likely that what is going to happen, as we will have such a logjam in June, July, and August that there will be tremendous pressure to remove only the little teeny-weeny restraint left on entitlement legislation, and further that there would be tremendous pressure to remove the constraint that it has to follow the concurrent resolution, and that thereby there will be tremendous pressure to go back to where the entitlement legislation has no control?

Mr. PERCY. That is generally correct, because we would have to consider all spending bills and entitlements.

Mr. NUNN. And it would be virtually impossible, given the practicality to consider all the appropriation measures in June, July, and August, and at the same time have all the entitlement legislation. We are proposing a practical impossibility for the Senate to perform if we accept this amendment.

Mr. PERCY. I suppose it could not be said that it would be absolutely impossible. Anything is possible. But it is highly improbable and extraordinarily difficult.

Mr. NUNN. I will amend my "possibility" to say that it is highly unlikely, as the Senator has said.

I thank the Senator.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. PERCY. I yield.

Mr. MAGNUSON. When the Senator speaks of 10 days, is he speaking of legislative days?

Mr. PERCY. Yes; that is correct.

Mr. McCLELLAN. When the Senate is in session.

Mr. MAGNUSON. It might be at a time when the Appropriations Committee is not there.

Mr. PERCY. The distinguished Senator from Connecticut has provided for 10 legislative working days.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. I yield to the distinguished Senator from California.

Mr. CRANSTON. Mr. President, in regard to this amendment, I first want to thank the many people on all sides of this matter for their efforts to try to work something out that could be accepted by all concerned. We have made progress in that direction, whether or not it is entirely ironed out and agreed to yet.

Great work has been done by the two committees and by others in working out the proposed legislation and by all the many, many staff members who did magnificent work when they were working with Senator BYRD on this matter.

If there is a problem—as has been indicated by the Senator from Georgia (Mr. NUNN)—about the logjam between June 1 and when the next step comes in early August, under this new budget

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process, I think that really has more to do with the calendar setup in the reported bill as it applies to all legislation. We all want to see effective controls brought to bear on spending by this budget act. The question here is on a discriminatory and unnecessary aspect of one item in the bill.

In regard to the workload question, 27 bills that relate to so-called back door spending have been considered during the past 2 years. Eleven were trust fund bills exempted here; sixteen were new entitlement bills of the sort we are now discussing.

In regard to the figures given by the distinguished Senator from Illinois, who was concerned about uncontrollable expenditures amounting to 75 percent of the total budget, the actual point in regard to this amendment is that we are only talking about \$5 billion in the few entitlements covered at present levels of spending. The other—so-called uncontrollables of huge amounts—are not affected by this amendment, and they are not brought under the controls that we are talking about here.

Mr. President, I also want to thank Senator RIBICOFF for assuming leadership on this matter and the other Senators with whom I personally discussed the need for a modification in the provision, as reported from the Rules Committee, requiring that certain new entitlement authorization legislation be rereferred to the Appropriations Committee for 10 days. I refer to the distinguished committee chairmen of the Committee on Finance (Mr. LONG), the Committee on Public Works (Mr. RANDOLPH), the Committee on Labor and Public Welfare (Mr. WILLIAMS), and the Committee on Veterans' Affairs (Mr. HARTKE), the Senators STAFFORD, TAFT, MCGOVERN, and MONDALE.

Mr. President, S. 1541, the Congressional Budget Act of 1974, is designed to provide the mechanism and procedures for Congress to establish its own annual Federal budget and to consider, spending revenue sharing, and debt limit legislation in the context of the budget. The bill, as reported from the Rules Committee, required that a special—and in our view unnecessary and discriminatory—burden be imposed upon certain entitlement legislation, principally veterans' benefits legislation—compensation, veterans' survivors benefits, GI bill benefits, pensions, housing grants, and burial benefits, supplemental security income to the aged, blind, and disabled, medical and family assistance to the needy, black lung benefits, and food stamps.

This additional impediment would not be imposed on 75 percent of the expenditures arising from so-called entitlement laws since all trust funds—including approximately \$86.5 billion in social security and unemployment compensation expenditures—revenue sharing, and advance contract authority are not covered by the re-referral process in the reported bill.

Mr. President, despite the fact that under the reported bill all Federal expenditures will be considered in the context of the overall budgetary proc-

ess—both initially with the adoption of the first concurrent resolution and finally with the adoption of the second concurrent resolution to reconcile all prior congressional legislative and appropriations actions—S. 1541 singles out those types of legislation I discussed above for special and, we believe, discriminatory treatment by requiring their re-referral to the Appropriations Committee for 10 days after being reported by the substantive committee, and by giving the Appropriations Committee authority to amend the bill by placing overall spending limits on it. The bill also requires that any floor amendment approved by the Senate regarding an entitlement matter not considered in the bill as reported must again be referred to the Appropriations Committee for 10 more days, but not, I should add, to the authorizing committee.

Our original amendment would delete entirely this duplicative procedure under which the authorizing committee would have had the burden of overturning an Appropriations Committee spending limit amendment if it disagreed with it. We believe that the authorizing committees are the most conversant with and, therefore, the most competent to understand the many complex principles involved in the entitlement legislation involved here.

In a cursory 10-day period—especially before the principles and policies to be imposed by the first concurrent resolution have been established—the Appropriations Committee would hardly have time to carefully analyze the impact or all the bill's provisions and thus might act precipitously in a manner which might upset the balance that the authorizing committee had worked long and hard to achieve.

Moreover, Mr. President, this duplicative and discriminatory rereference procedure would apply to such legislation even when the authorizing committee reported legislation of which the budgetary impact had been fully provided for in the congressional budget contained in the first concurrent resolution.

Again, I want to stress that those of us who support this amendment in no way intend to remove any entitlement legislation from the full purview of the new budgetary process which the reported bill would establish. Rather, we have confidence in that process and believe it should be applied evenhandedly to all types of legislation.

Finally, the rereference provision could create problems in restricting the Senate's ability to act in a crucial situation, particularly in some areas under the jurisdiction of the Finance Committee where the Senate may act to amend a House-passed bill, very often on a tight deadline. Requiring a 10-day rereference for certain floor amendments affecting entitlement programs, as proposed in the reported bill, might also have the unfortunate effect of restricting the rights of Senators to offer floor amendments.

In sum, anyone who would characterize our amendment as somehow weakening the budgetary process proposed in the bill is in reality saying that

they have little confidence in that process under which, before any new entitlement legislation would be permitted to become effective, action would be required on six separate occasions combined in the House and Senate without any rereference process.

Our original amendment No. 1044 would simply have eliminated this unnecessary re-referral process and provided that floor action on these entitlement measures could not take place until after the first concurrent resolution is adopted on June 1 each year. Let me stress that this step is actually a tightening of the budget control process as to these entitlement programs although preserving the jurisdiction of the Veterans' Affairs Committee, the Labor and Public Welfare Committee, the Finance Committee, and other authorizing committees.

In regard to the amendment before us, let me say, first, that I am delighted that this bill provides for control over uncontrollables through the Budget Committee, through the budget process, that we do not have presently. We need that control over so-called uncontrollables, but we do not need the additional, dilatory review process that is proposed in the bill, where the Appropriations Committee would enter the act by the referral process.

The amendment as we have modified it does provide full opportunity for the Appropriations Committee, with its great weight, to make a recommendation in a report, before action will ensue on the sort of legislation that at the moment is presently not controlled. Under our revised amendment, there would be a full opportunity for the Appropriations Committee to render a report if it wished to move over under our amendment as modified, we would retain our program of not permitting entitlement bills to be taken up on the floor until after the concurrent resolution has been adopted. Finally, it would eliminate the ridiculous provision to refer floor amendments on entitlements back to the Appropriations Committee.

The amendment would remove a restriction on the Senate's ability to act with swiftness.

In regard to the veterans aspect of this matter, I point out that the historical record reveals that the veterans' benefits have not been a traditional budgetary problem. In recent years, 6 million Vietnam era veterans have joined our country's veteran population. We have had added expenses occasioned by that war. These include compensation payments for 385,000 men wounded in Vietnam and survivor benefits for some 49,000 widows of men who have died of service-connected causes.

Almost 3 million Vietnam era servicemen have received educational assistance benefits.

Yet, despite the cost of these programs and a 21-percent increase in the Nation's veteran population, the veterans' portion of the budget—let me stress this—is no greater today than it was 4 years ago; and despite Vietnam, it is less than it was 10 years ago. It seems to be quite obvious that veterans' benefits are not the source of our budgetary problems.

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and should not be singled out for unnecessary controls which are considered discriminatory in the present way they are in the bill by veterans, older citizens, disabled persons, and their spokesmen.

The following veterans organizations strongly support this amendment: the American Legion, the Veterans of Foreign Wars, the Disabled Veterans, Amvets, and the National Association of Concerned Veterans.

Rather plainly, we are considering a cost of war that must be paid.

Let me stress again that there is already an adequate review through the new budget process that is a new restraint on this form of so-called back door spending.

For these reasons, I believe the amendment is very important, and I urge its support.

I congratulate the Senator from Connecticut (Mr. RIBICOFF) for the able way he has handled the matter and has presented it.

Mr. NUNN. Mr. President, will the Senator yield for a question?

Mr. CRANSTON. I am delighted to yield.

Mr. NUNN. First, the Senator from Georgia would like to say that he completely agrees with and endorses everything the Senator from California has said about veterans, and if they were in fact singled out here, we would have a different question.

Is the Senator aware that the projections in the 1975 budget of the President show that between 1975 and 1979, the so-called entitlement outlays, if they continue along this trend, will increase by \$58 billion and reach a total of \$227 billion; that by 1979, the so-called entitlement legislation will be 58 percent of the total outlays of this country?

Mr. CRANSTON. I am well aware of those figures, but those are not the figures we are talking about here.

The Senator includes social security benefits, which are not covered; revenue sharing contract matters, numerous exempted trust funds, retirement benefits, and other matters not covered by the provision for referral to the Committee on Appropriations that we have under discussion here. In the bill as reported, the only entitlements subjected to this process are veterans benefits, SSI benefits that relate to senior and disabled citizens and health care for the poor and other benefits totaling last year only \$5 billion out of the \$13 billion in uncontrollables.

The Senator from Illinois is correct when he said that 75 percent of the budget is uncontrollable, but we are not talking about that. We are talking about \$5 billion and that is only 38 percent of the uncontrollables added last year.

Mr. NUNN. According to all projections, the growth trend will take place between 1975 and 1979. Is the Senator aware that under this bill exempting social security it includes black lung, school lunches, disaster relief, air traffic controller requirements, CSC retirement, food stamp programs, Federal employees pay raises, school lunch amendments, unemployment benefits, Federal health employee insurance, welfare-medicaid amendments—all of that is included?

Mr. CRANSTON. No, all of that is not included. The Senator is reading a number of trust funds, retirement funds and many other programs that are self-financing.

Mr. NUNN. I have another amendment on trust funds. The Senator identified the largest loophole in the bill. The Senator from Georgia is going to identify that area.

Mr. CRANSTON. Will the Senator do that and talk to that issue, then, when it is relevant?

Mr. NUNN. It is relevant to this discussion because these are two loopholes that can render ineffective a lot of action that has taken place in the last year and a half in budget reform. This amendment plugs the loophole already in the bill which says that the trust fund is exempted if 30 percent is self-financing, and is relevant to this discussion because we have exempted from this bill 70 percent funding out of the general fund for any program that comes along, in the form of an extension on a trust fund which is already in existence, of which there are about 75.

I think the two loopholes should be discussed as one because they are interrelated.

If the so-called trust fund exemption remains like it is, it is going to continue to cause a lot of problems. To some extent if the trust fund exemption is left like it is, the amendment of the Senator from California will make the loophole larger.

Mr. CRANSTON. It may be somewhat relevant to our general discussion, but not to this amendment. The railroad retirement and other programs will not be affected by the decision made by the Senate on this amendment. The Social Security Act and all those other acts come under the budget process, and if the committee recommends more than the Senate wants to approve, in the course of the new full budget process it can make reductions. That is a new step and a good step. That process should be applied to all the entitlements uniformly.

But if we do not think the procedures in the Congressional Budget Act are effective, we should admit it.

I am amazed that some of the chief sponsors of S. 1541 have so little faith in the process they set forth in this committee report that they believe it necessary to add an additional step to a small \$2 billion portion of the so-called uncontrollables. If they think one step is so important why have they not applied it to all uncontrollables?

Mr. PERCY. My comments may have been somewhat ambiguous before but I would like to clarify the fact that I shall vote "nay" on this amendment. I do so because I feel there is adequate provision in the bill; if Congress wishes to act it can act. The Committee on Appropriations sends this legislation back to the floor with an indication that there should be a 10-percent cut because it exceeds the spending limit provided for in the concurrent resolution. Congress by majority vote can override that, but it does so with the clear understanding that the Committee on Appropriations felt it would exceed those spending limits and if

we continue to do that on this entitlement or another one, we are going to bust the spending limit that has been established and we would not be accomplishing our overall purpose.

So there is no way Congress is going to be acting in such a way it cannot and will not be able to express its will, should it desire to do so.

Also, of course, as has been made very clear in the committee report, and I refer to pages 56 and 57, it is clearly indicated that:

The Appropriations Committees are given jurisdiction to report any bill or resolution providing entitlement authority which has been referred to such committees (as described above) with an amendment which limits the total amount of entitlement authority contained therein. The Appropriations Committees would not be authorized under this procedure to report amendments in any way dealing with the substance of the legislation, even if some substantive change would clearly be needed to meet the spending limitation on the program which the Appropriations Committees amendment provides.

The Rules Committee, which I believe wrote this section, recognized that entitlement legislation is complex and is not amenable to control through the appropriation process. Under the terms of the legislation:

Actual outlays in any given year can not be known with certainty in advance. Should Congress decide, for budgetary reasons, to limit the potential obligation under new entitlement legislation to a figure less than the legislation as reported would provide, it will express that decision by adopting a limiting amendment at the time of consideration of the basic legislation. Such limitation may be at the level provided in the limiting amendment reported by the Appropriations Committee, if any, or at any other level Congress may select.

I wish to make just one or two other points. Removing entitlements from Appropriations Committee oversight would result in discriminatory treatment for entitlements as opposed to backdoors like contract authority and borrowing authority. Under the bill, new contract authority, new borrowing authority, and new trust funds which have a contribution from general revenues greater than 10 percent, must come under Appropriations Committee oversight.

Obviously, I am fearful if this amendment is adopted, there may be offered between now and 2 o'clock tomorrow certain other amendments for further exemptions.

In the Rules Committee, the treatment for entitlements was changed to take account of the special nature of entitlement programs. The re-referral provision of the present bill already provides special treatment for entitlements. Only entitlements have the special provision for only a 10-day re-referral to appropriations, and a specific proviso that appropriations can only make recommendations about the total of funding that would result from the bill.

In actual practice, the Appropriations Committee could send the legislation, if it exceeded the limit, to the floor with a suggestion or request that it be cut by a certain percentage. More probably, it would send it back to the original committee with that recommendation and let the committee itself work its will in

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whatever way it could to come under the ceiling, or develop its argument for a new concurrent resolution or new spending limit if its members felt that the compulsion was so great that they would have to exceed that spending limit.

Finally, control of backdoors through Appropriations Committee review has been one of the central principles of budget reform called for by budget experts including especially the Joint Study Committee on Budget Control.

If we exclude this particular feature from the bill and say, "Well, we are going to try to control spending, all except entitlements," then we are going to have direct authority over spending eroded before we get started. We are going to have an erosion of the very principle we have been trying to work for.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. MAGNUSON. Entitlements in past laws have provided that moneys shall be paid to certain people if they become entitled under the law. There are many cases where there are estimates, but the Appropriations Committee has to handle that. Estimates are made as to how many people might be eligible. Appropriations usually goes along with the estimates. Sometimes they are way off.

Certain laws, such as the veterans' laws, make it absolutely mandatory that payment be made.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Mr. President, I yield myself 10 minutes on the bill itself.

Mr. MAGNUSON. The estimate as to veterans benefits is pretty close to what it should be. It has never been very far off. I have never known the Appropriations Committee not to appropriate the money.

I want to make an observation. I am not critical, but no one who is involved in this bill is serving on the Appropriations Committee that I can see. I am going to vote for the bill, but we have to achieve a balance. When we get to yearly appropriations for entitlements, which must be paid, they are nearly impossible to move up and down, any way the committee wants. I just wanted to point out that it is not possible for the Appropriations Committee to adjust appropriations for entitlements after they are law.

I hope the Senator will excuse me. I just wanted to make that observation.

Mr. PERCY. Of course, I would like to make a small technical correction. The Senator from Arkansas (Mr. McCLELLAN), obviously, is on the Government Operations Committee and has worked on this legislation and serves as chairman of the Appropriations Committee and served on the joint study committee, as did a considerable number of distinguished members of the Appropriations Committee who made these very recommendations to us.

Of course, the Senator from Washington would not forget the fact that the Senator from Illinois served on his own appropriations subcommittee while the Senator from Illinois served on the Appropriations Committee, and it was during that period of service that the

Senator from Illinois became disturbed and concerned at the amount of expenditures that were going on that were not really under the control of the Appropriations Committee.

I would say the comments the Senator from Washington has made relating to entitlements have helped in the colloquy and helped in a better understanding of the situation. There are programs relating to public assistance, veterans' benefits and others—very often the most highly complex and time-consuming legislation—that involve entitlements.

Just looking at the last 2 years, Congress has considered 27 measures of the entitlement variety, 16 in 1972 and 11 in 1973.

The logjam the Senator from Georgia referred to makes it increasingly obvious that legislation would be required to come on the floor between the period June 1 and the first weekend in August.

I would just like to close my comments with a quotation from the President's budget, on page 38, where it says that if we are concerned about the trend now or what is happening now and the lack of control, just take a look into the future and see where we are actually going.

Mr. MAGNUSON. Perhaps we ought to do what we did on revenue sharing. We passed the bill and appropriated the money at the same time. Nobody had anything more to do with it. The lobbyists for revenue sharing were in the galleries applauding.

Mr. PERCY. Against the Senate rules.

Mr. MAGNUSON. There was a time when the legislative committees of the Congress authorized and appropriated at the same time. Maybe we can simplify this whole matter by going back to that system—I do not know—but we did it for revenue sharing.

Mr. PERCY. But there is not any question that local officials from the mayor of Cairo, Ill., to Mayor Daley, of Chicago, Ill. would want revenue sharing to be continued in the same manner, if it came up for a vote today.

Mr. MAGNUSON. We may have to go back to that.

Mr. PERCY. As I indicated, I should like to close my colloquy with a quotation from the President's budget looking ahead as to the effects of Federal spending:

Federal spending has shifted markedly in the past twenty years—and with particular abruptness in the last five years—away from direct Federal purchases of goods and services, for such programs as defense and space, and toward direct Federal payments to individuals and aid to state and local governments. From 1959 to 1973, payments to individuals and aid to state and local governments have almost doubled as a percentage of total outlays, and increased five-fold in dollar terms.

The present outlook indicates that (such payments) under existing programs will grow to about 58% of total outlays by 1979. Between 1975 and 1979 these outlays will increase by \$58 billion and reach a total of \$227 billion.

It is very difficult to say that we are the captain of our own ship and that we are going to manage our own

affairs, when much of the money that passes through Congress, passes without going through the Appropriations Committee. It passes without that committee having a chance to take a look at it and at least report the legislation to the floor of the Senate with good, firm recommendations. Therefore, I would be greatly concerned if this amendment were adopted. I think it is of such importance that we should have the yeas and nays.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, will the Senator from Connecticut yield?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from Maine.

Mr. MUSKIE. I should like to put a question to the distinguished Senator from Connecticut; but before doing so, I should like to make one or two observations.

First of all, neither the committee provision nor the amendment of the Senator from Connecticut is going to meet the problem described by the Senator from Illinois.

Mr. RIBICOFF. The Senator is correct.

Mr. MUSKIE. So it is not a choice between the amendment offered by the Senator from Connecticut and some type of overall measure. What we are considering here is a choice between the provision in the bill and the amendment of the Senator from Connecticut. It is to that that I think we should focus our attention. It is to this, too, that I should like to put a question to the Senator from Connecticut.

Mr. RIBICOFF. I shall be pleased to try to answer the Senator's question.

Mr. MUSKIE. First of all, the referral provision of the bill would place the bill in the physical possession of the Appropriations Committee.

Mr. RIBICOFF. That is correct.

Mr. MUSKIE. As I understand the amendment of the Senator from Connecticut, the Appropriations Committee would also have physical possession of the entitlement provision for the same purpose.

Mr. RIBICOFF. Under the bill, the Appropriations Committee could amend the bill. Under my amendment, they could not amend the bill but could report back to the Senate, and could offer an amendment on the floor of the Senate to be considered by the entire Senate.

Mr. MUSKIE. The Senator from Connecticut and I disagree on the effects of sending the bill back. The Appropriations Committee could not amend the bill.

Mr. RIBICOFF. That is correct; but they could have 10 days to make their recommendations.

Mr. MUSKIE. I am trying to identify the similarities, if we can identify them. I may say to the Senator that, as I understand the committee bill, it is referred to the committee.

Mr. RIBICOFF. It is re-referred to the Committee on Appropriations; that is correct.

Mr. MUSKIE. The committee can rec-

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commend amendments, make any other recommendations, or submit a report to the Senate.

Mr. RIBICOFF. That is correct.

Mr. MUSKIE. Under the Senator's amendment again, the Appropriations Committee could take possession of the bill, consider amendments, recommend them to the floor of the Senate, and make such other recommendations as it may wish.

Mr. RIBICOFF. It is not actually physically sent to the Appropriations Committee, but they are assured 10 days in which to report.

Mr. MUSKIE. The point I am making is that, like any other Senator who is not a member of the Appropriations Committee, members of the Appropriations Committee could get copies of the bill, consider it, and make amendments. We are construing situations that do not exist.

Mr. RIBICOFF. I think the Senator is making the point very well.

Mr. MUSKIE. The whole argument relates to the word "rereferral," because there are those who are concerned about veterans legislation and the jurisdiction of the Veterans' Affairs Committee, who say that the word "rereferral" means that the bill gives the Appropriations Committee substantive jurisdiction over a bill which is now considered in the Veterans' Affairs Committee. I did not believe that when we supported that provision, and I do not believe it now. I do not believe the committee version changes jurisdiction with respect to veterans legislation one iota. If I thought it did, I would not have supported the rereferral provision in the first instance.

The only effect of the committee provision is to give the Appropriations Committee 10 days to look at the bill and make such recommendations as it may choose to make to the Senate. That is all that is involved in the committee bill; that is all that is involved in the Senator's modified amendment. So if those provisions provide 10 days, then the Appropriations Committee can get the bill, develop whatever recommendations it chooses, and submit them to the Senate. I think that to describe either thing in different terms would be a disservice to an understanding of what this amendment provides.

So all we are debating is the word "rereferral," and making an argument about the conditions which have been woven around the word "rereferral." I think it is a distinction without a difference.

So far as I am concerned, that is a rereferral, and I can disabuse those who have an interest in the legislation. I am all for striking the word "rereferral."

I think all we have done is to clothe the word "rereferral." We have retained the right of the Appropriations Committee to look at any entitlement provision, retained the right of the Appropriations Committee to look at any amendment, retained the right of the Appropriations Committee to report an amendment to the floor of the Senate.

The elimination of the word "rereferral" may be the kind of subtle change that the Senator from Illinois projects, but I do not see that fearful

result. I think the difference between the two, as I have stated, is a distinction without a difference.

Mr. NUNN. Mr. President, I should like to ask the Senator a question on this particular point.

Mr. MUSKIE. May I get from the Senator from Connecticut a response to the question which took me a little time to develop?

Mr. RIBICOFF. I think the Senator is correct, but the word "rereferral" becomes very important so far as the veterans of the country are concerned. The difficulty that arose was when the committee exempted the trust funds, the social security funds, from the procedure. The veterans became horrified, thinking that their compensation from pensions and other benefits would be placed in a different category and treated differently than social security. I think we will all find that, historically, we have tried to keep veterans benefits in tandem with changes in the social security law.

The Veterans' Affairs Committee has always worked with the other committees to make sure that there was not an imbalance. Suddenly the veterans see in this bill a danger they will face. They want to place the veterans benefits on the same basis as social security benefits.

Am I stating the situation accurately?

Mr. CRANSTON. The Senator from Connecticut is stating exactly what is involved in this matter. I am delighted that the distinguished Senator from Maine has taken part in the discussion, and made the point about what we are talking about and what we are not talking about with this amendment.

The Senator has gotten us right down to the meat of the matter.

I would like to stress one other point while I have the floor. I would like to make the point that this amendment actually tightens the controls, rather than reducing controls over these entitlements. I believe the amendment in its present form—and I thank the Senator for narrowing down the discussion to what we are really talking about and excluding what we are not talking about—actually provides for more control than we would have without amendment. The amendment provides that we can only consider these entitlements after June 1, when we know what the total budget picture—expenditures and revenues proposed—will be.

Otherwise we could have had a situation where the Appropriations Committee would have considered the matter, the Budget Committee would have considered the matter, the Senate and the House of Representatives would have passed the bill, and it would have been enacted into law before we knew what the total budgetary picture was under the first concurrent resolution, and we might thereafter have found we had made a mistake, when it would have been, in practical fact, too late.

Under this amendment, when we cannot consider the entitlements until after June 1, the Appropriations Committee will have its voice, the Budget Committee will know all the factors, and Congress will know all the factors. We will then have an opportunity for better control

under this timetable than under the original bill.

Mr. MUSKIE. The Senator is correct. I doubt that many Senators have had a chance to read this amendment, so on this point, let me read the provision of the amendment.

In the first place, I emphasize the point that entitlement legislation cannot be brought to the floor until after the first concurrent resolution is adopted. Under the committee bill, entitlement legislation could come up before that time, and the only recourse then would be under the rereferral process under the bill.

Mr. CRANSTON. The Senator is correct.

Mr. MUSKIE. Secondly, the amendment says this:

The Committee on Appropriations of that House—

meaning whichever House is involved—

may, within 10 calendar days—

That is, legislative days—

beginning with the day following the day on which it is so reported, submit a report to its House setting forth its recommendations with respect to the level of the new advance, spending authority provided by such bill or resolution.

Then there is this sentence:

It shall not be in order in that House to consider such bill or resolution until the Committee on Appropriations of that House has submitted the report required by this paragraph or, if such Committee fails to submit such report, until the expiration of such 10-day period.

I think there is ample safeguard here of the prerogatives of the Appropriations Committee. I think there is ample safeguard in the language for the right of the Senate to have all information and all alternatives before it, before it votes on new entitlement legislation.

Mr. RIBICOFF. That is correct.

Mr. MUSKIE. And that is precisely the objective of the provision in the committee bill.

Mr. NUNN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. NUNN. Will the Senator yield for a question?

Mr. RIBICOFF. I yield.

Mr. NUNN. The Senator from Georgia is under the impression that this amendment, although I am sure that the author is aiming it toward the veteran—

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired. All time on the amendment has expired.

Mr. NUNN. Will the Senator yield time on the bill for one question?

Mr. MUSKIE. How much time would the Senator like?

Mr. NUNN. I think about 4 minutes would be enough.

Mr. MUSKIE. I yield the Senator 5 minutes.

Mr. NUNN. The Senator from Georgia is in sympathy with the case which the Senator from Connecticut has made regarding veterans and social security. I wonder if the Senator would modify his amendment to apply only to veterans,

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thus avoiding a loophole here that the Senator from Georgia believes would apply to nonexempt trusts. I am under the impression that nonexempt trusts in most cases, in fact in 95 percent of the cases, are entitlements, and if that is so, we have at least 60 or 70, or perhaps 100 nonexempt trusts which will come under this amendment.

If the Senator would confine his amendment to veterans, which is obviously the Senator's main wish, I believe we could reach some agreement here.

Mr. RIBICOFF. May I say to the Senator from Georgia that he is also talking about payments to needy aged, blind, and disabled persons. I do not feel personally that I want to exclude that category of people, nor medical assistance for the needy and food stamps. We are talking, really, of the most needy segments of our population, and I believe it is important to place them in a situation where their needs are taken care of and placed in the same category of social security recipients.

Mr. NUNN. Suppose we included all those groups, but confined it to those groups, instead of having broad entitlements. I am in sympathy with that. Suppose we take in them, as well as veterans, and try to restrict it to that.

The Senator from California and the Senator from Connecticut have been talking about veterans, veterans, veterans. The Senator from Georgia agrees with them on that. But what the Senator has done, as I read his amendment, is make a loophole that is large enough for all bills in the future which will in any way be debated, or when their author thinks they will be hard to pass, he will seek to put them under the term entitlement legislation or under the term of an exempt trust, and we can see, as I said a while ago, that we could have 70 percent of the general funds going into trusts that will still be exempt, and that would come under the term entitlement legislation if they are not exempt. So I am asking if the Senator will confine his legislation to the specific categories the Senator from California and the Senator from Connecticut aim to help.

Mr. RIBICOFF. Mr. President, may I say that the programs I listed in my earlier statement—veterans' pensions, veterans' compensation, veterans' educational payments, medical assistance to the needy, aid to the aged, the blind, the disabled, and food stamps—those are the categories I have in mind. There may be others, but they do not come to mind right at this moment.

Mr. NUNN. There are a good many others. I do not think it is fair to present this amendment as one to assist veterans only, when it includes other broad categories.

Mr. RIBICOFF. May I say that in my opening statement I named the other categories besides veterans. I do not want this body, however, to receive the impression that this applies only to veterans. Veterans are perhaps the largest category, but there are the additional categories I have named.

Mr. NUNN. Is the Senator willing to

limit his amendment in any way, then, or does he want to include all entitlements, including nonexempt trusts, of which I am informed there are many?

Mr. RIBICOFF. May I ask the Senator, if I limited the entitlements to those I have named, would the distinguished Senator then support my amendment?

Mr. NUNN. I would join in supporting it, if the Senator from Connecticut would limit it so that we would not be creating a loophole of unknown dimensions here, such that no one would know what we are talking about. I would join with the distinguished Senator in urging the adoption of his amendment.

Mr. RIBICOFF. How would the Senator from Maine feel about that?

The PRESIDING OFFICER. The 5 minutes of the Senator from Georgia has expired. Who yields time?

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? The Chair inquires of the Senator from Illinois, on whose time?

Mr. PERCY. Can the time be equally divided?

The PRESIDING OFFICER. By unanimous consent.

Mr. RIBICOFF. May I say to the distinguished Senator from Georgia that I stand on the amendment as it is.

Mr. PERCY. Mr. President, I withdraw my request for the quorum.

Mr. NUNN. How can we vote on an amendment when no one knows how broad it is?

The PRESIDING OFFICER. Who yields time?

Mr. ERVIN. Mr. President, I yield myself 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 5 minutes.

Mr. ERVIN. Mr. President, I wonder whether there is any difference between the original bill and the amendment. I invite the attention of the Senate to page 149, which reads:

Whenever any bill or resolution which provides new advance spending authority described in subsection (c) (2) (C) is reported by any committee of the Senate or the House of Representatives, such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the committee's recommendations, within ten calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so referred.

There is a line in that provision on which I stated yesterday in response to a question put to me by the distinguished Senator from Mississippi (Mr. STENNIS), that I was of the opinion the original bill did not give the Senate Appropriations Committee any authority to make changes in the substantive provisions of the bill as it was reported by the committee having the jurisdiction.

On the bottom of page 150 of the bill, and the top of the page 151, it reads as follows:

The Committee on Appropriations of each House shall have jurisdiction to report any bill or resolution referred to it under paragraph (2) with an amendment which limits the total amount of new advance spending authority provided in such bill or resolution.

My interpretation of the provisions of the bill was that the only amendment the Senate Appropriations Committee could make or suggest was one limiting the total amount as contradicting changing any specific provision as to who was entitled to the benefits of the bill.

So I wonder whether there is any substantial difference between the original bill and the amendment of the Senator from Connecticut.

Mr. RIBICOFF. This is what the Senator from Maine and I, in our colloquy, felt we had arrived at in order to clarify the matter in trying to work this out. We believe that we had come to a compromise that did not really wrench the basic purpose of the Government Operations and the Rules Committees in formulating this legislation.

Mr. MUSKIE. That is correct, I say to the Senator, and this approach was one that I suggested this morning.

Mr. ERVIN. The next question goes to the question of re-referral.

Mr. RIBICOFF. That is another case of a possible interpretation that the Appropriations Committee, under these circumstances, could actually amend the bill. What the Senator from Maine and I were trying to work out is the result that the distinguished chairman of the committee believes is in the bill. There was a question of ambiguity. I believe that this is what the Senator from Maine and I tried to work out in the amendment to my amendment.

Mr. ERVIN. In other words, the Senator from Connecticut feels that the amendment is necessary to remove the ambiguity.

Mr. RIBICOFF. That is correct.

Mr. ERVIN. That it might be susceptible to interpretation different from the specific provision that has nothing to do with this one.

Mr. RIBICOFF. I believe that is so. That is what we attempted to work out with the Senator from Maine as a compromise.

Mr. ERVIN. Under the amendment, the Appropriations Committee, or the referral of the bill to it, would have retained authority to make recommendations as to changes in the substantive provisions as to who is entitled to the benefits of this particular bill as set forth in the original bill. The amendment of the Senator from Connecticut would remove any ambiguity on that point.

Mr. RIBICOFF. That is correct. They could not actually amend the bill, but they could make recommendations in their report.

Mr. NUNN. Mr. President, will the Senator from North Carolina yield for a question?

Mr. ERVIN. I yield.

Mr. NUNN. Does not the Senator from North Carolina realize that under the proposed amendment, the Appropriations Committee would not have to make a report, that there is simply permissive language saying that they may make a report; yet the bill itself makes it mandatory that the Appropriations Committee make a report on the issues. So that we have gone from mandatory to permissive.

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Mr. ERVIN. That does not make much change because they can recommend that no changes be made. We would not disable any individual Senator who disagreed with the bill as reported by the committee having jurisdiction from proposing any amendments.

Mr. NUNN. What if a Senator had a report but did not know what the entitlement would do?

Mr. ERVIN. He would be in the same fix if you have a mandatory provision saying they shall make recommendations, as the recommendation that there should be no change.

Mr. NUNN. Except they would have to have a report.

Mr. CRANSTON. Mr. President, if I may interject there, under the bill, if the Appropriations Committee did not report in 10 days, it would be discharged. There is no requirement that it report.

Mr. PERCY. Mr. President, I yield myself 3 minutes, one of which I would be happy to yield to the proponents. I think I can summarize quickly my firm conviction that the amendment should be rejected.

First, if there is no substantial difference between the committee language and the amendment, I see no real reason, then, to change the language that has carefully been reviewed by the Government Operations and the Rules Committees. The more the proponents of the amendment talk about the narrow differences, the more I realize that there is no real reason to change at all.

Second, the Senator from Maine used the word "rereferral." I find no mention of rereferral as it relates to the action provided for in this amendment.

On page 159 of the bill, at the bottom, it simply indicates that the bill shall be referred to the Committee on Appropriations. Well, it may not have been there ever. So, it is not rereferred.

On page 151, at the top of the page, the bill provides that the Appropriations Committee can only make or offer an amendment which limits the total amount of new advance spending authority described in subsection (c) (2) (A) or (B) or any amendment which provides such new advance spending authority.

So I very vigorously oppose the amendment as I would oppose any amendment that would compound the problem faced by Congress at the end of the session after we have passed a second concurrent resolution or a third or a fourth and then we come down to the end of the line and have a reconciliation bill which puts us up against the situation where we have to roll back many of the expenditures already authorized and approved.

I feel that we should face the issue earlier and give the Appropriations Committee a chance to study the bill, send the bill back to the floor of the Senate, or send the bill to the authorizing committee, showing the impact that that bill and the entitlements provided would have on the spending limits we have already agreed to, and do this as we go along, rather than pass them all over and face the music when the reconciliation bill comes through and handle it like supplemental appropriations and throw up our hands at the last minute,

and raise the ceiling, and have to study the effect on the spending limits each and every time we break through some targeted point.

For all these reasons, I oppose the amendment.

The PRESIDING OFFICER (Mr. HATHAWAY). The question is on agreeing to the amendment of the Senator from Connecticut.

On this question the yeas and nays have been ordered and the clerk will call the roll.

Mr. MUSKIE. Mr. President, let me take some time on the bill. May I say the Senator from Arkansas (Mr. McCLELLAN), asked earlier this afternoon for an opportunity to engage in colloquy. So I would hope that we could do that at this time.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. MUSKIE. Whatever time the Senator from Arkansas desires.

Mr. McCLELLAN. I am very sorry that I had to leave the Chamber a while ago and have not been able to hear all the colloquy and discussion on this subject. What I was trying to find out was the difference between the bill and the amendment of the Senator from Connecticut.

Maybe this will clarify it. The bill as I understand it would refer backdoor spending bills, contract authority loans, and entitlement bills such as veterans pensions, black lung, and so forth, to the Appropriations Committee, and the committee would have 10 days to report back its recommendations and/or with an amendment to limit such spending. Is that a correct interpretation of the bill?

Mr. MUSKIE. It is correct only as to entitlements. There is a different provision with respect to contract authority and borrowing which would also come to the Appropriations Committee, but not under the provision to which the Senator is referring.

Mr. McCLELLAN. Tell me the difference between the amendment and the bill, in a succinct manner. What is the difference? We have the amendment to vote on.

Mr. MUSKIE. The provision in the bill would provide—just as the Senator has described it—that the entitlement legislation, whether it occurred prior to June 1 or after—June 1 being the day when the first concurrent resolution must be enacted—would be referred to the Appropriations Committee for 10 days for amendment or such recommendations as the committee may recommend for the purpose of limiting the spending which would be mandated by the entitlement authority.

Under the amendment of the Senator from Connecticut, the bill as it comes out of the authorizing committee cannot go to the floor until the Appropriations Committee has had 10 days to consider it and to make recommendations to the floor with respect to it.

Mr. McCLELLAN. What is the difference between making recommendations and offering an amendment?

Mr. MUSKIE. The difference is the elimination of the formal rereferral process.

Mr. McCLELLAN. How would it be before the Appropriations Committee if it was not referred to the committee?

Mr. MUSKIE. It would have been reported out of the authorization committee. The Appropriations Committee would be required, under this proposal, to take cognizance of it and to consider it in any way it wished. I have argued all afternoon that all we have been arguing about is a semantic difference.

The rereferral provision has raised questions on the part of many people, Senators as well as others, that what the bill does is change the jurisdiction of the authorizing committee and the Appropriations Committee with respect to such entitlement legislation, that it creates an ambiguity that is a threat to programs in which they are interested. Because I believe that the bill before the Senate is designed only to give the Appropriations Committee a chance to look at it and to evaluate its implications, I was willing to go along with the amendment. I do not think that the referral language of the bill was intended in any way to change jurisdiction.

All the amendment does is to eliminate that doubt. The responsibilities in the Appropriations Committee would be the same under either proposal. That is my view.

Mr. McCLELLAN. I think I understand. There is not enough difference; it is only a matter of semantics.

Let me ask another question: Does anyone believe that the Appropriations Committee can act responsibly within 10 days on a bill that proposes multi-billion-dollar spending?

Mr. MUSKIE. I think that is a legitimate question, but the 10-day period applies to both proposals.

Mr. McCLELLAN. I understand. I ask this: Does anyone think that the Appropriations Committee can act responsibly—do the evaluation and make a report in 10 days on a big spending bill that is reported by a committee?

In the first place, the committee is not yet staffed to do it. Second, it would have to have a staff of experts—a limited staff, at least—for this purpose.

I am just pointing out that it seems to me there is going to be an overall budget committee; and if any committee is going to be staffed to do it under this bill, it would be that budget committee and the committee that is being set up in the bill, the Congressional Office of the Budget.

A responsibility is being placed on the Appropriations Committee which it is not capable of performing under the present circumstances. It makes no difference to me whether this is done one way or the other. The consequences are going to be the same. It is a burden, an impossible task in that limited time, with the staff the committee now has. The committee is not equipped to do it.

Mr. MUSKIE. The Senator, as chairman of the Appropriations Committee, knows a great deal more about the capability of the Appropriations Committee than I do. But let me make a couple of observations.

Mr. McCLELLAN. We can make a guess in 10 days.

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Mr. MUSKIE. In the first place, I have made it clear that the committees did not intend to change the jurisdiction with respect to the substance of entitlement legislation. The referral to the Appropriations Committee was simply to get the Appropriations Committee's judgment on the budget impact, not on the details, the substantive details, of the legislation.

The second point I would make is that the Congressional Office of the Budget would be available to the Appropriations Committee in the same way that it would be to the budget committees, to make those kinds of analyses and to present to the budget committee the figures.

Mr. McCLELLAN. Who would have jurisdiction of this?

Mr. MUSKIE. This would give the Appropriations Committee an opportunity, and indeed a duty under this bill, to give the Senate the benefit of its judgment as to the budget impact.

Mr. McCLELLAN. But we do not have jurisdiction over the budget staff that is being set up. We have no jurisdiction over it.

Mr. MUSKIE. The language of the bill makes the Congressional Office of the Budget available to every committee.

Mr. McCLELLAN. It is available. We can call on them, yes. But we cannot direct them to get on to this and do it. In other words, we can direct our staff to get on something and give it immediate attention.

Mr. MUSKIE. Obviously, the Appropriations Committee and the Finance Committee, which are also given responsibilities under this legislation, should have sufficient authority to utilize the COB.

Mr. McCLELLAN. I say this to the Senator, and I say this now so that we may be on notice as to what we are doing: If the Appropriations Committee is charged with this responsibility, it should have under its immediate control some staff that is competent in this field. It cannot be said that "you have to do it." All we can do under the circumstances, in my judgment, under the proposed legislation, is that when it is sent to us, we will send it back.

Mr. MUSKIE. I agree with the Senator.

Mr. McCLELLAN. I want to make clear that there would be a responsibility on the Appropriations Committee that is impossible for it to perform at present.

Mr. MUSKIE. I say to the Senator that is not the intent of the proposed legislation. If we have not implemented that adequately in the bill, we will do so before we finish work on the bill.

I cannot agree more with the Senator that those kinds of frustrations should not be imposed on the committee.

Mr. PERCY. Mr. President, I yield myself 2 minutes in order to comment on the remarks of the distinguished chairman of the Appropriations Committee.

I refer the Senator from Arkansas to page 68 of the bill, which covers the provision as reported by the Government Operations Committee. This obviously would have provided more time for the Appropriations Committee to have operated and did not contain the

10-day limitation. That was placed on it as a result of revisions that were incorporated in the bill by the Committee on Rules and Administration.

The reason why the Senator from Illinois opposes the amendment is that there is indeed a difference between the Appropriations Committee simply being asked to make a report and literally having the legislation before it and being able to send the legislation back to the authorizing committee, or sending it to the floor with an amendment. There is a distinct difference. The difference has been minimized on the floor. I think there is a difference, and for that reason I prefer staying with the committee version.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. McCLELLAN. Without it being referred to the committee, the committee has no official jurisdiction over it. On this theory, any bill that comes out here that provides for spending, we would automatically have to take judicial notice and try to act on it.

Mr. PERCY. I think the Senator has put his finger right on the point. That is a big difference.

Mr. MUSKIE. I would like to comment on that. Talking about minimizing a difference, there is such a thing as maximizing a difference.

I wish to read from the Ribicoff amendment. It states:

The Committee on Appropriations of that House may within 10 calendar days (not counting any day on which the House is not in session) beginning with the day following the day on which it is so reported, submit a report to its House setting forth its recommendations.

This amendment confers jurisdiction and responsibility upon the Committee on Appropriations. The language is really to maximize a difference. The language speaks for itself.

Mr. McCLELLAN. It states "may."

Mr. MUSKIE. It states "may." The Senator just said he is not sure he has the staff resources.

Mr. McCLELLAN. I do not think I have.

Mr. MUSKIE. The "may" is to be exercised by the Senator.

Mr. McCLELLAN. As pointed out, all we can do is send it back to you.

Mr. MUSKIE. On the question of whether this language imposes a responsibility on the Appropriations Committee. It is the intention of this bill to make the Congressional Offices of the Budget available to every committee, and especially those committees which are subject to the procedure requirements of the bill, and that includes the Appropriations Committee. If there is any doubt about the provisions of the bill in that regard, we will certainly clarify it.

So I say to the Senator whatever maximization of differences we get, this amendment, if adopted, imposes a responsibility on the Appropriations Committee. More than that, this bill intends to provide the staff of the Appropriations Committee sufficient to meet this and all other responsibilities, just as it does to the Finance Committee and the Budget Committee.

Mr. NUNN. Mr. President, will the Senator yield briefly so that I may make an observation for the Senator from Arkansas?

Mr. MUSKIE. I yield.

Mr. NUNN. I think the Senator from Arkansas was not here when we pointed out in colloquy one certain difference that is important for the Senator's judgment. The bill as written would allow entitlement legislation to be considered at any point in the year provided it complied with the sending of the entitlement legislation to the Appropriations Committee. The amendment would require it be done after June 1. The significance is that entitlement legislation will have to be considered by the Appropriations Committee and the Senate during the same 3-months period when all appropriation bills have been considered. I made the point that the result may well be that entitlement legislation will bring sufficient pressure that it will be removed from all restraints and we will be right back at this point.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. BROCK. I wish to follow up on the point of the Senator from Georgia. It is important to note to the Senator from Georgia that the Committee on Government Operations reported this bill virtually unanimously with a section which gave jurisdiction over entitlement legislation to the Appropriations Committee. There was no referral or any question about it. Jurisdiction was placed in the Appropriations Committee because this section of our budget is the one segment that is totally out of control. We are talking about 58 percent of the total budget by 1979. Somebody has to watch it, somebody in whom this body reposes confidence and trust. We placed that responsibility with the Appropriations Committee. That was stricken by the Committee on Rules and Administration.

Then, it was simply referred for 10 days and the Committee on Appropriations was given the staff with the direction to bring in the figure as it affects the budget, but they were allowed to offer amendments so far as the total funding level. Now, we have even stricken that opportunity for oversight and review from the authority of the Committee on Appropriations.

It may very well be you have been given a label without any substance to it and you are being put in a position of being criticized for not doing something you would not be able to do. I think that is the effect of the amendment, whether we overmaximize it or not. The fact is when we get back to the end of the year and all of these entitlements have been increased over the concurrent resolution passed in June the Appropriations Committee is going to bet hit with a situation where Congress has passed entitlements that violate the ceiling, unless we cut back on specific programs; and the Appropriations Committee is going to be burdened with having to cut back on the legislative programs to encompass the increase over which it had no jurisdiction. That is what is wrong with the amendment.

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Mr. CRANSTON. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. CRANSTON. The Senator from Tennessee speaks of 58 percent. We are talking principally about two entitlements: veterans and certain of their entitlements, and senior citizens and disabled persons, for a total of \$5 billion. We are not talking about all or even most entitlements. Most, and by far most of the dollars, are not affected by this amendment.

Mr. BROCK. The Senator from Georgia asked the Senator from Connecticut to list them and he said he would limit it to those two.

Mr. NUNN. The Senator from Georgia has already accepted those two.

Mr. ERVIN. Mr. President—

Several Senators addressed the Chair.

Mr. PASTORE. Mr. President, may we have order? The Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order. The Senator's time has expired.

Mr. PERCY. Mr. President, I yield myself 2 minutes. I am happy to yield 1 minute to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, the other point I wish to make is for those Senators who have come to the Chamber. A new and better control is proposed by this amendment because it requires that entitlements cannot be acted on by the Senate or House until June 1; until that time the Budget Committee, the Appropriations Committee, and the entire Congress cannot know the entire situation on overall revenues and expenditures. Prior to that time, you deal with it only in a fragmentary way in the Appropriations Committee and the Budget Committee, without those committees or the Congress knowing the total picture.

This is a far better situation, and this amendment would add a responsibility to the Appropriations Committee which it does not have now. Now, the Appropriations Committee has no voice at all in entitlements of any sort.

Mr. PERCY. Mr. President, in the remaining moment I wish to respond to the Senator from Arkansas with respect to the inadequacy of the staff of the Committee on Appropriations to deal in such a short time frame with these problems.

This point was brought up by the Senator from West Virginia (Mr. ROBERT C. BYRD). I would like to ask him if it is his intention to offer an amendment which will change the duties and functions under section 202 of the bill so that there will be a dual relationship and responsibility between the Director of the Congressional Office of the Budget and the Committee on Appropriations, as well as the Committee on the Budget, so that whenever a load is imposed on the Committee on Appropriations the Staff would be available to help analyze, appraise, and provide sufficient information so that a decision could be made within the time frame.

Mr. ROBERT C. BYRD. Such language has been prepared.

Mr. PERCY. The Senator from Illinois would be most supportive of it.

Mr. President, service on the Committee on Appropriations has convinced me that many times the staff is inadequate for the job and the responsibilities we have, and this would place at the disposal of every committee and every Senator a group of professional people comparable in stature and quality to the Office of Management and Budget, which the Congress now lacks.

Mr. McCLELLAN. Mr. President, will the Senator yield for just a brief observation?

Mr. PERCY. I am happy to.

Mr. McCLELLAN. We have a marvelous Appropriations Committee staff, but it is a housekeeping staff; it is not a professional staff that would normally be prepared to immediately make an analysis and report back intelligently to the Senate on an issue like this.

Mr. ERVIN. Mr. President, I would like to have about 2 minutes.

Mr. MUSKIE. Mr. President, I yield 2 minutes to the Senator from North Carolina.

Mr. ERVIN. I would like to say that I agree with the Senator from Tennessee. There was no reason why entitlement legislation should not be subjected to two committees, just as we do now generally with the authorizing committee and the Appropriations Committee. That is why, I believe, the bill reported unanimously from the Government Operations Committee provided for that on page 68. Under that provision, the Appropriations Committee could make amendments. It seems to me we are arguing here the difference between tweedledum and tweedledee, as to whether one should support the bill as it was revised by the Committee on Rules and Administration or the Government Operations Committee version. I think it comes to the same thing. I do not know which way I am going to vote when it comes to a vote, but personally I would like to go back to the Government Operations Committee version on this and have two committees look at the matter before we saddle the American people with billions of dollars of additional obligations; but neither the amendment nor the bill pending before us will accomplish that purpose.

I thank the Senator for yielding.

The PRESIDING OFFICER. All time on the amendment having expired, the question is on agreeing to the amendment of the Senator from Connecticut (Mr. RIBICOFF). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Louisiana (Mr. LONG), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Indiana (Mr. HARTKE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

On this vote, the Senator from West Virginia (Mr. RANDOLPH) is paired with the Senator from Ohio (Mr. METZENBAUM).

If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Ohio would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from North Dakota (Mr. YOUNG), are absent on official business.

I also announce that the Senator from Vermont (Mr. Aiken), is absent because of illness in the family.

I further announce that the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from South Carolina (Mr. THURMOND).

If present and voting, the Senator from Oregon would vote "nay," and the Senator from South Carolina would vote "yea."

The result was announced—yeas 31, nays 55, as follows:

[No. 81 Leg.]

YEAS—31

Abourezk	Hart	Muskie
Bayh	Hathaway	Nelson
Bentsen	Huddleston	Pell
Bible	Hughes	Ribicoff
Brooke	Humphrey	Sparkman
Case	Jackson	Stafford
Church	Javits	Taft
Clark	Magnuson	Welcker
Cranston	McGovern	Williams
Ervin	Mondale	
Gravel	Moss	

NAYS—55

Allen	Domenici	Metcalf
Baker	Eastland	McIntyre
Bartlett	Fannin	Nunn
Beall	Fong	Packwood
Bellmon	Griffin	Pastore
Bennett	Gurney	Pearson
Biden	Hansen	Percy
Brock	Hassell	Proxmire
Buckley	Helms	Roth
Burdick	Hollings	Schweiker
Byrd	Hruska	Scott, Hugh
	Inouye	Scott,
Byrd, Robert C.	Johnston	William L.
Cannon	Mansfield	Stennis
Chiles	Mathias	Stevens
Cook	McCallister	Stevenson
Cotton	McClure	Talmadge
Curtis	McGee	Tower
Dole	McIntyre	Tunney

NOT VOTING—14

Aiken	Hartke	Randolph
Dominick	Hatfield	Symington
Eagleton	Kennedy	Thurmond
Fulbright	Long	Young
Goldwater	Metzenbaum	

So Mr. RIBICOFF's amendment was rejected.

Mr. GRIFFIN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, will the Senator from Illinois yield me 5 minutes on the bill?

Mr. PERCY. Mr. President, I yield 1 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I hope not to take 5 minutes.

First, I should like to invite the attention of the managers of the bill. I as unanimous consent that when whatever other amendments on which unanimous

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consent has been granted have been completed—I understand the last amendment is by the Senator from Ohio (Mr. TAFT)—I may be recognized to submit an amendment for myself, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Florida (Mr. CHILES), the Senator from Maine (Mr. MUSKIE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Utah (Mr. MOSS), and the Senator from Minnesota (Mr. MONDALE) which is a slight variance from amendment No. 1047, about which I have already conferred with the floor managers of the bill.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I should like to ask the Senator from Illinois if I may proceed with a request which will place in sequence the amendments that have not yet been called up.

Mr. PERCY. I yield.

Mr. JAVITS. Of course.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the disposition of the amendment by Mr. ROTH, the Senator from Mississippi (Mr. STENNIS) be recognized to call up his amendment; that on the disposition of his amendment, the Senator from Ohio (Mr. TAFT) be recognized to call up his amendment; that upon the disposition of his amendment, the Senator from New York (Mr. JAVITS) be recognized to call up an amendment; that upon the disposition of his amendment, Mr. NUNN be recognized to call up his amendment.

Mr. HUMPHREY. Mr. President, the Senator from Minnesota has three amendments at the desk.

Mr. ROBERT C. BYRD. This is one of them.

Mr. HUMPHREY. I do not want to waste any time. I have spoken with members of the committee. I shall call up one of the amendments for the purpose of discussion, because I think the three amendments are relevant, but I shall not ask for a vote on all of them. I may on one. In fact, I would suggest a maximum time of 10 minutes to a side on my amendments.

Mr. ROBERT C. BYRD. Mr. President, will the Chair rule on my request?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia?

Mr. CRANSTON. Mr. President, will the Senator yield? I simply wish to have an amendment of mine added to the end of the list.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the disposition of the amendment by the Senator from Georgia (Mr. NUNN), the amendments the Senator from Minnesota has requested—

Mr. HUMPHREY. I will call them up and dispose of them as quickly as possible.

Mr. ROBERT C. BYRD. Be considered, and, following the amendments of the Senator from Minnesota, the amendment of the Senator from Florida, who had asked previously, and then that the Senator from California (Mr. CRANSTON) be recognized to offer an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. PERCY. Mr. President, reserving the right to object, has the acting majority leader made a reconciliation of all these amendments, and reconciled them with the unanimous-consent agreement to have final passage by 2 p.m.? Is that possible, or should we come in at an earlier hour?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Mr. President, reserving the right to object—

The PRESIDING OFFICER. To which unanimous consent does the Senator reserve the right to object? There are two pending.

Mr. BAYH. Addressing myself to the last unanimous-consent request, I reserve the right to object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia with reference to the list of Senator from West Virginia with reference to the list of Senators offering amendments. The Chair hears none, and it is so ordered.

With respect to the request to convene tomorrow morning at 9 o'clock—

Mr. BAYH. Can the Senator from West Virginia tell me, when would the first vote occur under that procedure?

Mr. ROBERT C. BYRD. If the full hour is taken with respect to the amendment of the Senator from Wisconsin (Mr. NELSON) and the Senator from Minnesota (Mr. MONDALE), the first vote would occur at 10 o'clock.

Mr. BAYH. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It may be necessary to shorten the time on amendments tomorrow.

Mr. JAVITS. That would be agreeable to me.

Mr. PERCY. I think that would be a good idea.

Mr. ROBERT C. BYRD. Perhaps we ought to attempt to do that now.

Mr. CHILES. The Senator from Florida certainly would not object to that. It may be that the Senator from Wisconsin (Mr. NELSON) should be consulted if we are going to surrender any of his time, but I have no objection concerning the time on my amendment.

Mr. ROBERT C. BYRD. Mr. President, may I propound a question to the distinguished assistant Republican leader? Does he believe that the Senator from Delaware would object to shortening the time on his amendment?

Mr. GRIFFIN. This is a problem. I suppose, without getting his consent, we would have to reserve an hour for his amendment. He did want an hour and a half. We were able to talk him into reducing that to an hour. But other than that one, I know of no reason why we could not have a half hour on amendments.

I would also respectfully suggest that after the first rollcall vote, all rollcalls be limited to 10 minutes tomorrow.

Mr. ROBERT C. BYRD. Mr. Presi-

dent, I ask unanimous consent that on the amendment by the Senator from Florida (Mr. CHILES) there be a time limitation of 20 minutes, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. I will take 20 minutes for mine, because we have so many cosponsors. But as to the other side, if the Senator says 20 and 10, I think they will take it.

Mr. ROBERT C. BYRD. Very well. Twenty minutes on the proponents' side, and 10 minutes on the manager's side, on the amendment of the Senator from New York (Mr. JAVITS).

I hesitate to shorten the time on the amendments of Senators NELSON, TAFT, and STENNIS, but in the morning we will attempt to do that.

Mr. JAVITS. Does not the Senator think he ought to provide 5 minutes on any amendment to an amendment? That is always stultifying.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on amendments to the amendments that have been enumerated, on which the time limitation has been lessened, there be a time limitation of 10 minutes, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, one further problem we may have in our plan for tomorrow is that there are 4½ hours remaining on the bill. This side has only had a request from the Senator from Nebraska (Mr. CURTIS) for 15 minutes, and obviously we will honor that request. I would think it possible to restrict our time to, say, 1 hour, which then could be yielded back in advance, but if Senators would like the remaining time, we could dole it out very judiciously tomorrow, if necessary, particularly to someone who may feel he has been cut back without adequate notice on an amendment.

Mr. ROBERT C. BYRD. The time for debate poses no problem, because there will be a final vote at 2 o'clock, and if there is any time remaining at all, of course, Senators may yield it back.

I ask unanimous consent, in accordance with the suggestion of the distinguished Republican whip, that after the first rollcall vote tomorrow, all other rollcall votes consume 10 minutes each, with the warning bells to sound after the first 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, may I have 3 additional minutes on the bill to make my speech?

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, I am very much for this bill. It has been very thoroughly and, I think, very well worked out with the cooperation of many Senators. I believe it presents us with a package which will—and this is very close to my heart—represent the acceptance by Congress of the responsibility which it

must accept if it wishes to exercise equal authority with the President in budget making.

Mr. President, few issues have impacted with greater force upon the American public in recent years than that relating to the integrity and responsiveness of government. Watergate has indeed focused and intensified that issue.

But we have heard again and again, quite apart from Watergate, that our people have become disillusioned and cynical about the institutional capability and willingness of Congress to cope with the increasingly complex questions of modern government.

As we are all aware, the United States has increasingly faced the most serious budget problems brought about by the fact that we in the Congress have been voting to spend money at a rate faster than our ability to generate revenues at full employment. No reasonable person could deny that one of the chief contributing factors to this deplorable situation has been the absence of any way to inform and guide the Congress about the hard facts of priorities planning and budget reconciliation.

No existing office or committee has the authority or the wherewithal to provide the kind of overview which is necessary. This arises simply from the fact that most committees are specialists in and advocates for a certain slice of the Federal dollar. It is assumed that when a bill is considered by the Senate or the House on the floor that an overview will be provided. But, as we are all aware, Congress as a whole proceeds piecemeal—as do the committees—without overview.

The legislation we debate today is critically important. It represents the careful and comprehensive work of my own Government Operations Committee and the Committee on Rules and Administration. It represents a major stride toward reassertion by the Congress of its constitutional control over the Federal budget.

It tracks very closely the decisive action of the Congress last year in passing the landmark War Powers Act and in dealing with the issues of executive impoundment and executive privilege.

The Federal Act to Control Expenditures and Establish National Priorities which is before us today is, as I have already stated, the result of an extraordinary effort of many Senators. I particularly wish to commend four of a much larger number: our distinguished chairman, Senator ERVIN, our ranking minority member, Senator PERCY, Senator MUSKIE, and also Senator ROBERT BYRD.

S. 1541 will modernize the organization of Congress to deal with the entire budget process. It will establish a Senate Budget Committee consisting of 15 members to oversee congressional budget matters. In addition, it will create a Congressional Office of the Budget—COB—to provide both Houses of Congress with staff resources they do not now have in order to analyze the budget recommendations of the President and test the assumptions upon which they are based.

In submitting estimates to the COB, the executive departments and agencies

will be required to identify both the cost of existing programs, activities and services; and second the cost of proposed new and expanded programs, activities and services. It will be able to recommend alternative levels of revenues and outlays based on its own estimates, including the amount of revenue loss attributable to tax benefits and related matters. The COB will establish a permanent, institutional capability to provide sophisticated expertise to the Members and committees of Congress on budget making. I think it is important to emphasize that all standing committees have access to the COB. By utilizing this new capability and obtaining new sources of information from the executive departments and the White House as provided for in S. 1541, the Congress will have more tools than ever before to consider the budget overall and in detail in an intelligent way.

By changing the fiscal year to October 1, the Congress will have more time following the submission of the President's budget message to accomplish this.

Most importantly, S. 1541 will bring about fundamental reform of the mechanism by which the Congress processes the annual Federal budget. The process includes two budget resolutions and a final reconciliation bill in a logical and orderly procedure which allows the Congress to reassess and revise its spending and revenue decisions in the second budget resolution and the reconciliation bill. This process mandates the informed input of the Appropriations Committee, the Finance Committee, the Joint Economic Committee and the authorizing committees of the Senate. Most Members of the Senate have in the past voiced concern that all spending bills should be passed early in the fiscal year. The bill requires all such measures to be completed by early August. This is a most important reform.

Mr. President, for some years I have advanced a proposal for an Office of Goals and Priorities Analysis—in effect, a budget bureau responsible to the Congress—so that we might be able to make rational choices among items with the same analytical capability as the executive branch when drafting its own budget proposals. The most recent version of my proposal was contained in title II of S. 5 which was reintroduced in 1973, after having passed the Senate the previous year. Senator MONDALE joined with me on both occasions in proposing S. 5 and urging its enactment.

In view of the consideration of S. 1541 by the Government Operations Committee, we moved to have title II of S. 5 referred to Government Operations in order that it might be considered in the light of the proposal to create a Congressional Office of the Budget. Senator CHILES joins with Senator MONDALE and I to offer an amendment to S. 1541 to require the Director of the COB to prepare a report on national goals and priorities on or before June 1 of each year.

Mr. President, The Committee on Government Operations reported this meas-

ure dealing with national goals and priorities, in a separate bill sponsored by the Senator from Florida (Mr. CHILES). That bill, S. 1414, which I strongly support and cosponsored would provide the Congress with critically important budget information which it does not now get in a timely and useful manner.

So the amendment which I shall call up tomorrow I send to the desk for printing under the rules, on behalf of myself and Senators CHILES, HUMPHREY, MONDALE, MUSKIE, JOHNSON and MOSS—carries out that idea. I submit it to the managers; I hope they will consider it favorably.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table, and without objection it will be printed in the RECORD.

AMENDMENT NO. 1057

On page 116, after line 25, insert the following:

REPORT ON NATIONAL GOALS AND PRIORITIES

SEC. 203. (a) ANNUAL REPORT.—The Director shall submit to the Congress on or before May 1 of each year (beginning with 1978) a national goals and priorities report, which shall include, but not be limited to, a description and discussion of—

(1) the President's recommendations on national priorities reflected in the proposed allocation of budget authority and budget outlays for each major national need as set forth in the budget submitted by the President for the fiscal year beginning on October 1 of each year;

(2) the goals, or objectives, associated with each major national need and the goals, or objectives, being sought by all Federal programs directed at meeting such national need and a balanced national growth;

(3) an assessment of the adequacy of the resources allocated to each national need in view of the goals or objectives being sought; and

(4) an assessment of the probable effect of such proposed budget outlays and budget authority and of such allocation of resources, upon the balanced growth and development of the nation, such assessment to be drawn from information, data, reports and analyses which shall be furnished to the Director upon his request by such Federal departments, agencies and bureaus as he may determine and as may have such requested subject matter within their official jurisdiction.

(b) ASSISTANCE TO COMMITTEES AND MEMBERS.—At the request of any committee or Member of the Senate or the House of Representatives or any joint committee of the Congress, the Office shall provide to such committee, Member, or joint committee further information, data, or analysis relevant to the subject matter of subparagraph (a).

Mr. JAVITS. Mr. President, item 4 in this amendment was suggested by Senator HUMPHREY, who proposed, in the judgment of all of us who are cosponsors, a most important idea tying into the development of the national goals and priorities report, an assessment of the potential for balanced growth and economic development of the Nation and what it requires in the larger context of budget planning.

The work of the Senator from Florida (Mr. CHILES) on this and related amendments in committee was extremely important and helpful. I assure these gentlemen that though I may have been in a way an early proponent of the idea

several years ago, their contributions are fully equal to mine, and I express my gratitude to all of them.

Mr. President, S. 1541 also deals with the subject of tax expenditures. During the 1969 Tax Reform Act debate I introduced an amendment which would have required the Secretary of the Treasury in his annual report to the Congress to include estimates of indirect expenditures through the application of the tax law or "tax expenditures." That amendment was not passed and consequently in 1971 I offered an amendment to the Revenue Act of 1971 which would have required the President's budget or the special analysis presented with the budget to contain estimates of losses in revenue from provisions of the tax laws and also estimates of indirect expenditures through operation of the tax laws.

This amendment passed the Senate but was modified in conference to have the estimates of tax expenditures made by the Treasury Department submitted annually to the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the Joint Committee on Internal Revenue Taxation. These reports of tax expenditures have been submitted as required and I ask unanimous consent that the report dated June 1, 1973, be included in the RECORD at this point.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

FEDERAL TAX EXPENDITURES

In the Senate version of the Revenue Act of 1971, a provision added on the floor would have required the inclusion in the budget of estimates of losses in revenue from provisions of the Federal income tax laws and also estimates of indirect "expenditures" through the operation of the Federal tax laws. Data of this type have commonly become known as "tax expenditures." The statement made by the conferees in this respect is as follows:

"The conferees concluded that it would be more appropriate to have such estimates of tax expenditures made by the Treasury Department and to have the estimates submitted annually to the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the Joint Committee on Internal Revenue Taxation. It is expected that these tax expenditure reports to the tax committees will initially be modeled after similar reports previously made and included in the annual reports of the Secretary of the Treasury in 1968 and 1970. Modifications may, of course, be made from time to time in consultation with the tax committees. In addition to making these reports to the tax committees on an annual basis, the Treasury Department may desire to include these data on tax expenditures in the annual report of the Secretary of the Treasury. The Treasury Department has indicated its willingness to submit information to the tax committees in the manner indicated above and as a result the amendment no longer appears necessary."

The Staffs of the Treasury Department and Joint Committee did cooperate in the preparation of such a report last year. This pamphlet, which is a continuation of this cooperative effort, presents data for 1972 and reproduces the data for calendar years 1967 through 1971 which were contained in the reports issued on October 4, 1972.

In general terms "tax expenditure" items are intended to represent the amount of tax reductions which occur because of the allowance of an exclusion, deduction, preferential rate of tax, or deferral of tax liability. There are differences in points of view as to the "tax expenditure" concept,¹ including differences as to the items which should be included in, and excluded from, such a listing. Questions have also been raised as to whether there should also be included in such an analysis those items which are taxed more heavily than income generally (such as corporate income) or deductions which are subjected to special limitations (such as capital losses). In this report the staffs have not attempted to consider any changes in the items listed as "tax expenditures." Instead, the items included in this report are those which have previously been included in any of the earlier reported versions of tax expenditure estimates made by the Treasury Department prior to the Revenue Act of 1971 plus items in the Revenue Act of 1971 which are of similar character. Among items not included as tax expenditures are the personal exemptions and the minimum standard deductions.

This report includes two tables. Table 1 shows estimated Federal income tax expenditures for the calendar years 1967 through 1972. The 1971 and 1972 tabulations are broken down into effects on corporate income tax liability and effects on individual income tax liability. Only the 1972 data represent a new tabulation. The data shown in this table are broken down into categories which are comparable to those in the functional classification of budget expenditures. The report also includes a table (Table 2) showing the estimated distribution, by adjusted gross income class, of the decrease in individual income tax liability estimated to result from tax expenditure items affecting such liability.

The purpose of these tax expenditure data is to provide information as to the economic benefits provided by the tax laws to the various sectors of the economy. To aid in the analysis, the cost and beneficiaries (in terms of areas of activity) are shown by the same functional categories as outlays in the Federal budget. The listing of any of these provisions involves no direct, or indirect, presumption about the desirability of any of them in terms of public policy. These tables, however, are intended as a tool which may be helpful to the tax committees of Congress in reviewing various provisions of the tax laws.

The estimates of tax expenditures are difficult to determine and are subject to important limitations. It is believed, however, that despite these limitations, the order of magnitude of the amounts involved may be helpful to the tax committees.

¹ See, e.g., the criticism in Bittker, "Accounting for Federal Tax Subsidies in the National Budget," XXII *National Tax Journal* 244 and the reply in Surrey and Hellmuth, "The Tax Expenditure Budget—Response to Professor Bittker," XXII *National Tax Journal* 528.

The major limitations with respect to the estimates of tax expenditures are:

1. The estimate of each tax expenditure item is made independently of any other tax expenditure item. As a result, if two or more items were to be eliminated, the result of the combination of changes being made at the same time might produce a lesser or greater revenue effect than the sum of the amounts shown for each item individually. This, of course, also means that the addition of the various tax expenditure items is of quite limited usefulness. This is why totals are not shown for table 1, except in a footnote.

2. In the case of many of the items, especially those for which information is not available on tax returns, the lack of data makes estimates quite tenuous. Where information is not available on tax returns, it has been necessary to obtain information from whatever sources are available, and, when sources are limited, to make assumptions on which to base the estimates.

3. The estimates for the various tax expenditure items do not take into account any effects that the removal of one or more of the items might have on investment patterns, consumption, or other aspects of economic activity. In other words, the estimates shown do not take into account the induced effects of changing the provisions. Repeal of a provision, therefore, would not necessarily raise the revenue associated with removal of that provision.

4. Often, tax expenditure items which have been added in recent years do not become fully effective until the lapse of several years. As a result, the eventual annual cost of some items added in recent years is not fully reflected in the year 1972. Conversely, if various items now in the law were to be eliminated, it is unlikely, in many cases, that the full revenue effects shown would be realized until an extended period of years has passed.

5. In some cases, if a tax expenditure item were to be eliminated, it is probable that Congress would, at least to some extent, desire to deal with the underlying problem by a direct expenditure program. The effect of any such program is not taken into account in the estimates shown. In addition, if some of these provisions were removed from the tax laws, this removal might be accompanied by revisions in tax rates, personal exemptions or the minimum standard deduction, as has happened in the past. This has not been taken into account in the estimates.

6. There are features of the law which are not taken into account in the estimates shown. For example, personal exemptions, the minimum standard deduction, the foreign tax credit, and the effect of income splitting and head-of-household treatment, as well as the graduation in the rate structure of the individual income tax, are not taken into account in these tables. Also, the effect of estate and gift taxes is not shown nor is the interrelationship of these provisions with some of the tax expenditure items taken into account.

7. Differences in personal income levels and corporate profits can also account for differences in the cost of tax expenditure items from year to year. Also, some tax expenditure items themselves may be larger or smaller from year to year, wholly independent of tax considerations.

TABLE 1.—ESTIMATED FEDERAL INCOME TAX EXPENDITURES, CALENDAR YEARS 1967-72*

(In millions of dollars)

Item	1967	1968	1969	1970	1971			1972		
					Corporations	Individuals	Total	Corporations	Individuals	Total
NATIONAL DEFENSE										
Exclusion of benefits and allowances to Armed Forces personnel.....	500	550	550	500		650	650		700	*700
INTERNATIONAL AFFAIRS										
Exemption for certain income earned abroad by U.S. citizens.....	40	45	45	40		50	50		50	50
Exclusion of income earned by individuals in U.S. possessions.....	10	10	10	10		10	10		10	10
Western Hemisphere trade corporations.....	50	55	55	50	75		75	50		50
Exclusion of gross-up on dividends of less-developed country corporations.....	50	55	55	55	55		55	60		60
Deferral of income of controlled foreign corporations.....	150	165	170	165	165		165	300	25	*325
Exclusion of income earned by corporations in U.S. possessions.....	70	80	85	80	80		80	80		80
Deferral of income of domestic international sales corporations.....								100		100
AGRICULTURE										
Farming: Expensing and capital gain treatment.....	800	850	880	820	50	790	840	50	850	900
Timber: Capital gain treatment for certain income.....	130	140	140	130	125	50	175	125	50	175
NATURAL RESOURCES										
Expensing of exploration and development costs.....	300	330	340	325	260	65	325	480	70	*650
Excess of percentage over cost depletion.....	1,300	1,430	1,470	980	785	200	985	1,400	300	*1,700
Capital gain treatment of royalties on coal and iron ore.....	5	5	5	5	5		5	5		5
COMMERCE AND TRANSPORTATION										
Investment credit.....	2,300	3,000	2,630	910	1,495	305	1,800	3,050	750	3,800
Depreciation on buildings (other than rental housing) in excess of straight-line.....	500	550	550	500	320	160	480	330	170	500
Asset depreciation range.....					600	100	700	850	10	*860
Dividend exclusion.....	225	250	290	280		300	320		300	300
Capital gains: Corporation (other than farming and timber).....	500	525	525	425	380		380	400		400
Capital gains: Individuals (other than farming and timber).....	(*)	(*)	(*)	(*)		5,600	5,600		7,000	7,000
Bad debt reserves of financial institutions in excess of actual.....	600	660	680	380	400		400	400		400
Exemption of credit unions.....	40	45	45	40	40		40	90		90
Deductibility of interest on consumer credit.....	1,300	1,600	1,700	1,700		1,800	1,800		1,100	*1,100
Expensing of research and development expenditures.....	500	550	565	540	545		545	570		570
\$25,000 surtax exemption.....	1,800	2,000	2,300	2,000	2,300		2,300	2,500		2,500
Deferral of tax on shipping companies.....	10	10	10	10	10		10	30		30
Rail freight car amortization.....				105	45		45	80		*80
HOUSING AND COMMUNITY DEVELOPMENT										
Deductibility of interest on mortgages on owner-occupied homes.....	1,900	2,200	2,600	2,800		2,400	2,400		3,500	3,500
Deductibility of property taxes on owner-occupied homes.....	1,800	2,350	2,800	2,900		2,700	2,700		3,250	3,250
Depreciation on rental housing in excess of straight-line.....	250	250	275	255	300	200	500	350	250	600
Housing rehabilitation.....					10	15	25	15	25	40
HEALTH, LABOR, AND WELFARE										
Disability insurance benefits.....	(*)	100	120	130		155	155		175	175
Provisions relating to aged, blind, and disabled:										
Combined cost for additional exemption, retirement income credit, and exclusion of OASDI for aged.....	2,300	2,700	2,800	2,950		3,250	3,250		3,550	3,550
Additional exemption for blind.....	10	10	10	10		10	10		10	10
Sick pay exclusion.....	85	95	105	105		120	120		225	225
Exclusion of unemployment insurance benefits.....	300	325	350	400		800	800		700	700
Exclusion of workmen's compensation benefits.....	150	180	210	210		320	320		375	375
Exclusion of public assistance benefits.....	50	50	50	50		65	65		65	65
Net exclusion of pension contributions and earnings:										
Plans for employees.....	3,000	4,000	3,150	3,075		3,650	3,050		4,000	4,000
Plans for self-employed persons.....	60	135	160	175		250	250		200	200
Exclusion of other employee benefits:										
Premiums on group term life insurance.....	400	400	440	440		500	500		550	550
Deductibility of accident and accidental death premiums.....	25	25	25	25		30	30		35	35
Medical insurance premiums and medical care.....	1,100	1,400	1,450	1,450		2,000	2,000		2,500	2,500
Privately financed supplementary unemployment benefits.....	25	15	15	20		5	5		5	5
Meals and lodging.....	150	165	170	170		170	170		170	170
Exclusion of interest on life insurance savings.....	900	1,000	1,050	1,050		1,100	1,100		1,200	1,200
Deductibility of charitable contributions (other than education).....	2,200	3,000	3,450	3,550		3,200	3,200		3,100	3,100
Deductibility of medical expenses.....	1,500	1,600	1,700	1,700		1,900	1,900		1,900	1,900
Deductibility of child and dependent care expenses.....	25	25	25	25		30	30		180	180
Deductibility of casualty losses.....	70	80	80	80		165	165		150	150
Excess of percentage standard deduction over minimum standard deduction.....	*3,280	*3,600	3,800	3,000		700	700		1,040	1,040
Pollution control amortization.....			15	15	15		15	25		25
Credit for employing public assistance recipients under WIN program.....								5		5
5-year amortization of child care facilities.....								5		5
EDUCATION										
Parental personal exemption for student age 19 or over.....	500	500	525	500		550	550		640	640
Deductibility of contributions to educational institutions.....	170	200	200	200		275	275		275	275
Exclusion of scholarships and fellowships.....	50	60	60	60		110	110		125	125
VETERANS BENEFITS AND SERVICES										
Exclusion of certain veterans' benefits.....	550	600	600	650		700	700		480	*480
GENERAL GOVERNMENT										
Political contributions.....									100	100
AID TO STATE AND LOCAL FINANCING										
Exemption of interest on State and local debt.....	1,800	2,000	2,200	2,300	1,800	800	2,600	1,900	1,000	*2,900
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes).....	2,800	4,150	5,100	5,600		5,600	5,600		5,300	5,300
Total.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

¹ Estimates are prepared on an individual basis for each item on the assumption that the item would be eliminated from the law without any other changes in the law with respect to the other items. If two or more changes in the law are made, the aggregate revenue effect will frequently not equal the sum of the revenue effects of the individual changes. Accordingly, the costs of the items are not additive.

² Roughly reflect fiscal years 1968 through 1973.

³ Changes in the 1972 figures as compared to 1971 which are due wholly or in part to revised data and/or new sources of data and/or improved estimating methods.

⁴ The estimate for 1972 considers this tax expenditure in isolation rather than in conjunction with percentage depletion as has been done for the years 1967-71.

⁵ Assumes present restriction on capital losses is retained.

⁶ Not available.

⁷ This will decline over time as present law becomes fully effective.

⁸ This item is being superseded by use of the investment credit.

⁹ Standard deduction.

¹⁰ As explained more fully in the text and in footnote 1, these totals are of limited significance and utility. However, as a matter of convenience the mathematical sums of the respective 10 columns are given here: \$36,550,000,000; \$44,140,000,000; \$46,635,000,000; \$43,945,000,000; \$39,860,000,000; \$41,850,000,000; \$51,710,000,000; \$13,350,000,000; \$46,460,000,000; and \$59,810,000,000. Much of the increase in the total figures given for 1971 and 1972 over that for 1970 is due to the fact that the 1970 figure does not include any estimate for capital gains of individuals while the 1971 and 1972 totals include \$5,600,000,000 and \$7,000,000,000, respectively.

Note: Changes in the figures from year to year not only reflect changes in the tax laws, in utilization of the items and in personal income and profit levels but also, in some instances, reflect revised and/or new sources of data and/or improved estimating methods.

TABLE 2.—ESTIMATED DISTRIBUTION OF SELECTED ITEMS OF TAX PREFERENCES OF INDIVIDUALS BY ADJUSTED GROSS INCOME CLASS, CALENDAR YEAR 1972

[In millions of dollars]

Adjusted gross income class	Exclusion of benefits and allowances to Armed Forces personnel	Exemption for certain income earned abroad by U.S. citizens	Exclusion of income earned by individuals in U.S. possessions	Deferral of income of foreign controlled subsidiaries	Farming: Expensing and capital gain treatment	Timber: Capital gain treatment for certain income	Expensing of exploration and development costs	Excess of percentage over cost depletion	Investment credit	Depreciation on buildings (other than rental housing) in excess of straight-line	Asset depreciation range	Dividend exclusion
0 to \$3,000.....	15	(¹)	(¹)	(¹)	15	(¹)	(¹)	1	(¹)	1	(¹)	2
\$3,000 to \$5,000.....	150	1	(¹)	(¹)	50	(¹)	(¹)	5	45	3	(¹)	10
\$5,000 to \$7,000.....	180	3	1	(¹)	90	2	1	4	55	5	(¹)	18
\$7,000 to \$10,000.....	130	5	1	(¹)	130	3	2	11	95	10	(¹)	27
\$10,000 to \$15,000.....	115	7	2	1	170	4	9	18	125	19	1	56
\$15,000 to \$20,000.....	55	16	3	1	100	3	7	20	90	17	1	55
\$20,000 to \$50,000.....	50	17	3	6	185	9	17	75	185	58	4	109
\$50,000 to \$100,000.....	4	1	(¹)	6	60	8	11	61	80	36	2	20
\$100,000 and over.....	1	(¹)	(¹)	11	50	19	22	105	75	21	1	3
Total.....	700	50	10	25	850	50	70	300	750	170	10	300

¹ Less than \$500,000.

Adjusted gross income class	Deductibility of interest on consumer credit	Deductibility of interest on mortgages on owner-occupied homes	Deductibility of property taxes on owner-occupied homes	Depreciation on rental housing in excess of straight-line	Housing rehabilitation	Provisions relating to aged, blind, and disabled		Additional exemption for blind	Sick pay exclusion	Exclusion of unemployment insurance benefits	Exclusion of workmen's compensation benefits	Exclusion of public assistance benefits
						Disability insurance benefits	Combined cost for additional exemption, retirement income credit, and exclusion of OASDHI for aged					
0 to \$3,000.....	(¹)	(¹)	5	1	(¹)	30	880	1	8	60	12	25
\$3,000 to \$5,000.....	10	15	25	4	(¹)	45	820	2	16	95	26	20
\$5,000 to \$7,000.....	40	85	95	7	(¹)	35	460	2	18	95	41	15
\$7,000 to \$10,000.....	145	310	240	14	(¹)	35	640	2	34	160	66	5
\$10,000 to \$15,000.....	275	845	590	28	1	12	265	1	62	200	96	(¹)
\$15,000 to \$20,000.....	235	835	640	25	1	7	135	1	55	60	63	(¹)
\$20,000 to \$50,000.....	285	1,160	1,135	86	3	7	235	1	27	25	65	(¹)
\$50,000 to \$100,000.....	60	195	340	53	8	3	75	(¹)	4	5	5	(¹)
\$100,000 and over.....	50	55	180	32	12	1	40	(¹)	1	(¹)	1	(¹)
Total.....	1,100	3,500	3,250	250	25	175	3,550	10	225	700	375	65

¹ Less than \$500,000.

Adjusted gross income class	Net exclusion of pension contributions and earnings		Exclusion of other employee benefits					Exclusion of interest on life insurance savings	Deductibility of charitable contributions (other than education)	Deductibility of medical expenses	Deductibility of child and dependent care expense	Deductibility of casualty losses
	Plans for employees	Plans for self-employed	Premiums on term group life insurance	Deductibility of accident and accidental death premiums	Medical insurance of premiums and medical care	Privately financed supplementary unemployment benefits	Meals and lodging					
0 to \$3,000.....	45	(¹)	10	(¹)	45	(¹)	3	10	5	5	1	(¹)
\$3,000 to \$5,000.....	150	(¹)	40	2	180	(¹)	13	35	20	60	12	(¹)
\$5,000 to \$7,000.....	240	1	50	3	225	1	22	65	80	155	21	5
\$7,000 to \$10,000.....	580	2	95	6	430	1	33	105	195	300	36	10
\$10,000 to \$15,000.....	1,080	5	150	10	675	2	37	175	410	460	42	25
\$15,000 to \$20,000.....	740	9	90	5	400	1	27	160	380	320	43	30
\$20,000 to \$50,000.....	885	93	95	6	420	(¹)	28	400	820	435	25	40
\$50,000 to \$100,000.....	195	76	15	2	85	(¹)	5	130	450	115	-----	15
\$100,000 and over.....	85	14	5	1	40	(¹)	2	120	740	50	-----	20
Total.....	4,000	200	550	35	2,500	5	170	1,200	3,100	1,900	180	150

¹ Less than \$500,000.

TABLE 2.—ESTIMATED DISTRIBUTION OF SELECTED ITEMS OF TAX PREFERENCES OF INDIVIDUALS BY ADJUSTED GROSS INCOME CLASS, CALENDAR YEAR 1972—Continued

(In millions of dollars)

Adjusted gross income class	Excess of percentage standard deduction over minimum standard deduction	Capital gains: individuals	Parental personal exemption for student age 19 or over	Deductibility of contributions to educational institutions	Exclusion of scholarships and fellowships	Exclusion of certain veterans' benefits	Tax credit or deduction for political contributions	Exemption of interest on State and local debt	Deductibility of nonbusiness State and local taxes (other than on owner occupied homes)
0 to \$3,000.....	0	20	(1)	(1)	4	20	(1)	5	(1)
\$3,000 to \$5,000.....	1	70	8	3	26	45	1	(1)	30
\$5,000 to \$7,000.....	12	120	39	7	32	50	2	(1)	110
\$7,000 to \$10,000.....	63	190	102	20	26	110	7	10	335
\$10,000 to \$15,000.....	609	340	207	58	19	140	21	25	785
\$15,000 to \$20,000.....	254	340	122	70	12	60	17	125	835
\$20,000 to \$50,000.....	98	1,260	69	90	6	45	37	375	1,770
\$50,000 to \$100,000.....	2	1,080	72	20	(1)	9	11	455	770
\$100,000 and over.....	1	3,580	21	7	(1)	1	4	455	665
Total.....	1,040	7,000	640	275	125	480	100	1,000	5,300

1 Less than \$500,000.

Mr. JAVITS. As the report shows, tax expenditures amounted to approximately \$60 billion for the covered period and it indicates that a substantial amount of Government subsidies are granted through the tax system rather than through the budget of the United States. These "tax expenditures" involve among other things exclusion of items from income and consequent reduction in tax liability from the exclusion. Examples are social security retirement benefits being excluded from earnings, exclusion of earnings from pension plans and the exclusion of interest on State or local government obligations.

By discussing these exclusions from income, I am not in any way indicating that there is necessarily anything wrong with any particular benefit. In fact, most provisions in the tax law represent the considered judgment of the government to grant a particular subsidy to a particular class of individuals or corporations who avail themselves of the benefit. However, there has never been any real connection made between the tax expenditures and direct budget outlays. The eminent legal scholar Prof. Stanley Surrey of the Harvard Law School has been much concerned with this subject and testified in detail on the matter before the Select Committee on Committees of the House of Representatives. I ask unanimous consent that his testimony be included in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF STANLEY SURREY, PROFESSOR, HARVARD LAW SCHOOL

Mr. SURREY. Thank you, Mr. Chairman. I am pleased to be here, but I am not at all sure I should be here.

I really do not claim any expertise with respect to the budgetary process as a process, nor do I claim any mastery of the details of the various proposals that have been presented to various groups in the Congress with respect to improvement of congressional control over the budget.

I do want to say that I strongly endorse the efforts and goals of the Joint Study Committee on Budget Control. I think it is quite clear that the Congress must revise its institutional procedures and its rules to obtain an integrated control over the budget, over the spending process, and over revenue receipts. It has to have some integrated con-

trol over these matters and their interrelationships if it is really to have the impact on the economy that the Congress of the United States should have.

Consequently, I am all in favor of the goals and efforts along those lines. I can understand there are differences in detail and differences as to the methods of proceeding because, really, we are talking about some rather fundamental changes involving the relationships among the committees of Congress and relationships between the Congress as a whole and the various committees. When you are talking about such fundamental matters, there obviously are going to be differences as to details. But the goals, I think, are clear. I also think that the Joint Study Committee report indicates that some very hard problems must be faced, and that there must be, if there is to be integrated control, rules and procedures that have force and bite to them and that do work and do enforce a discipline on all of the units that constitute the Congress of the United States.

It is against that background that I wish to discuss the subject of tax expenditures.

As I say in my statement, the report of the Joint Study Committee on Budget Control is a fine start, but it leaves out controls over about \$60 billion of expenditures, and an omission of \$60 billion is rather a large omission. The omission is serious both on its quantitative side because \$60 billion is about equal to one-quarter of the budget, and it is also serious from the qualitative standpoint. It is these two aspects that I wish to dwell on today.

The omitted \$60 billion relates to what has come to be called tax expenditures. That is a relatively new term and not fully understood by many people. Essentially, it relates to those Government expenditures that are made through the tax system of the United States, primarily through the income tax. You can think of the income tax as a vehicle to raise money for the United States, to defray the expenditures of the United States. In essence, that is what it is. To have an income tax, you have to have a set of provisions that define what is a person's income and a set of provisions that define what are the appropriate deductions that a person should take in determining his net income, and then you apply personal exemptions and rates of tax. Essentially, that gives you an income tax on net income. Pretty much every country that has an income tax will go about it much the same way. But in the United States, we have grafted onto the income tax structure a whole series of special provisions which are in the large designed to give financial assistance to groups and activities because of the social purposes or objectives involved.

I am not here today in any way criticizing the social objectives or the priorities

that lie behind the granting of this Government financial assistance in the tax system. I am here only to point out that this financial assistance is given through the tax system and is the equivalent of financial assistance given through the ordinary spending processes of the Federal Government.

You can take any number of illustrations. For example, take the matter of the exemption of interest on State and local securities. The exemption of interest on State and local securities is not necessary to the construction of an income tax. It is designed and defended as a method of assisting States and local governments with respect to the interest rate on their obligations. As such, it constitutes financial assistance granted to State and local governments through the tax system of the United States. It involves an expenditure of about \$3 billion a year.

You can look at the investment credit, which is a credit of 7 percent any business person gets who buys machinery and equipment. He credits 7 percent of the cost of the machinery and equipment against his Federal income tax bill. That credit is not necessary to a definition of net income or to having an income tax in the United States. It is rather a decision to give financial assistance to those businessmen who purchase machinery and equipment.

The reason given, of course, is to increase the economic growth of the United States. But at the same time it involves an expenditure of about \$3 billion of Federal funds made through the tax system. You can go on this way through a whole variety of special tax provisions. They add up collectively to about \$60 billion, and are contained in a pamphlet that is published by the House Ways and Means Committee entitled, "Estimates of Federal Tax Expenditures."

This particular list was issued June 1, 1973. In this list, the Committee on Ways and Means indicates which are the items under the various budget categories which involve financial assistance granted through the tax system of the United States. The list—and I have included a table in my statement—comes to about \$60 billion.

In certain budget categories, the tax expenditures listed in this document are in excess of direct expenditures listed in the regular budget. For example, if you look at the budget outlays under Commerce and Transportation, the total in the budget—the regular budget—of the United States is \$12 billion. If you look at the tax expenditure list under Commerce and Transportation, the total amount of financial assistance given through special provisions under the tax system is \$17.5 billion, in excess of the amount in the total budget.

If you look at the expenditures under Housing in the regular budget, they come to about \$4 billion. If you look at the tax

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expenditures under Housing, they come to \$7 billion.

So, in certain categories of the budget, we are spending, as a Government, more through the tax system than we are spending through the regular budget of the United States.

The Joint Economic Committee is engaged in a very detailed study of subsidies—Government subsidies, Government grants and other assistance, which they define as subsidies. This study indicates that the subsidies—the financial assistance—granted through the direct budget of the United States. In other words, if you go through the direct budget of the United States and total the subsidies therein—and that includes cash subsidies, interest subsidies and the like—the total of all of those is less than the financial assistance, the tax subsidies, given through the tax system.

So quantitatively we are talking about a very large item in relation to the items you have been discussing all along in this committee when you are considering what shall Congress do to maintain control over Federal spending and over the items in the Federal budget. You have been talking about a figure which omits \$60 billion on the quantitative side.

Qualitatively, these tax expenditures are of the same character, essentially, as the items in the direct budget. Any procedures adopted to maintain integrated control over direct budget items would therefore fail to do the job if they did not cover these tax expenditures because they are qualitatively the same.

If the Federal Government decides to give financial assistance to a group or to an activity in the United States, then technicians either can work out a direct grant of assistance or they can work out a special tax provision which will do the same thing. Any group of competent technicians can work out that financial assistance either through the direct budget or through the tax system, just depending on what they are asked and ordered to do under the circumstances.

Suppose, for example, and this is just an example, it is desired to give elderly persons in the United States relief from local property taxes. Let's assume that decision is made, simply to give financial assistance to elderly persons. You can, if you want, devise a direct grant system to such elderly persons to be administered by one of the agencies of Government, and it will show up in the direct budget of the United States. Or, if you want, you can devise a tax expenditure. You can say that elderly persons shall receive a credit against their income taxes for a certain amount of property taxes paid. The end result will be the same for these elderly persons and the amounts of money will be the same except that it will not show up in the budget of the United States. It will only show up in a document published by the House Ways and Means Committee, and that is about the only place you will find it.

Now let's suppose it is desired to encourage exploratory drilling for oil in the United States. You want to encourage exploratory drilling for oil and you can, of course, give grants of money to oil companies to drill for oil. That will show up as a direct grant in the budget of the United States. Or, if you want, you can say, "We will give oil companies a credit against their income taxes of 7 percent of the amount they spend on drilling" and that will show up not in the budget of the United States, but only in the tax expenditure budget published by the Ways and Means Committee. But the amounts will be the same and the benefits will be the same.

I happen to pick these two illustrations because the Treasury has recently recommended these two new tax expenditures. I am not here discussing the goals of these expenditures, whether it is wise or unwise to give financial assistance in these particular instances.

What I am pointing out is that the decision to give financial assistance in the present recommendations of the Treasury is a decision to give that assistance through a special provision in the tax system and will not, therefore, show up in the budget of the United States. In fact, it would show up nowhere unless the Ways and Means Committee continues to publish this document called "Estimates of Federal Tax Expenditures."

Given the qualitative similarity of the two methods of financial assistance, it seems to me very clear that both have to be covered if you want integrated control over spending in the United States. Essentially, the whole mechanism of tax expenditures illustrates that the tax committees, when they adopt a tax expenditure, are functioning both as a legislative or authorizing committee and as an appropriations committee. The tax committees adopt the program of "Let us give assistance to elderly persons; let us give assistance to oil companies that drill," and that is the legislative activity or the authorizing activity. Since such a program operates through the tax system and reduces revenue, it also automatically becomes an appropriation. So the tax committees in dealing with these special provisions are combining both the function of a legislative committee and an appropriations committee.

Consequently, that being the case, any rules which are devised to impose controls over appropriations must apply to the tax expenditure process if those rules and if the controls are going to be complete.

You have been discussing in these hearings up to now, backdoor spending in a variety of ways. And yet if you stop to reflect on the matter, this tax expenditure process is simply one other illustration of a method of appropriating funds which does not go through the normal appropriations process of the United States and, therefore, escapes attention.

The Joint Study Committee on the Budget, I think through oversight, really, neglected to include these tax expenditures. I am not criticizing that joint committee. I think it was an oversight. I think they were focusing so hard on the mechanics of control that they happened to omit these tax expenditures and if they reflected on the matter I think they would have to be included.

I have included in my statement a quotation from a statement by Chairman Mills, and I will conclude with this, Mr. Chairman. Back in 1967 he issued some very prophetic words when he said that, "If we decide that certain programs, however worthy their purpose, cannot be financed at this time by increased spending because other needs have priority, we should not then turn around and sanction some form of indirect subsidy in the form of special tax relief for these programs. I want to point out that the grant of these tax credits has precisely the same effect on the budget as an outright expenditure. The grant of the additional tax credit"—these tax expenditures—"increases the size of the budget deficit just as surely as additional expenditures. That is why I refer to these tax credits—or tax expenditures—as backdoor spending. That is why it would do us no good to have expenditure control if the advocates of spending programs need only to run around to the back door of the tax committees to achieve much the same result by tax credits."

"As we look ahead"—and this was written in 1967—"to discover ways in which we can keep the budget within reasonable limits, we must not fail to direct a critical eye to the proposals which would give tax credits to those who would make certain expenditures."

I think these words of Chairman Mills are fully applicable today and they lead to the conclusion that if the Congress desires to have integrated control over the spending processes of the United States, then it must

include within, whatever controls are devised, these items of tax expenditures.

Chairman BOLLING. Thank you very much, Mr. Surrey.

(Mr. Surrey's prepared statement follows:)

PREPARED STATEMENT OF STANLEY S. SURREY, PROFESSOR OF LAW, HARVARD LAW SCHOOL

I appreciate the opportunity to appear in this Panel Discussion on the Budgetary Process. My role is to discuss the relationship of "tax expenditures" to the budgetary process and to the current efforts to improve Congressional control over the budgetary outlay and receipt totals.

At the outset I wish to state that I strongly endorse these efforts and the goals of the Report of the Joint Study Committee on Budget Control (Report of April 18, 1973). As an institutional matter the Congress must adopt devices and procedures that will enable it to integrate its control over the spending process. This integrated control is necessary to permit Congress to obtain a rational view of budget outlays, the relationship of those outlays to revenue receipts, and in turn the effect of the totals and their interrelationships on the level and direction of the economic position of the United States. Further, it is clear that obtaining the needed integrated control over the spending process will require a number of changes in the handling of appropriations, in the relationship among the committees involved, and in the relationships between the Congress as a whole and the committee structure.

Without claiming any expertise in the matter and any mastery of the details, I have the impression that the Report of the Joint Study Committee on Budget Control properly points to the steps that must be taken to secure this integrated control. Undoubtedly, once such an introductory report is submitted, there will be improvements suggested and differences over some of the recommendations and details. But the Report does indicate clearly the kinds of measures required if integrated control is to be maintained throughout the course of each Congressional Budget and to the decisions that must be faced if that control is to be realistic. As a consequence, I will proceed on the basis of that Report as forming the background of my further views.

The Report of the Joint Study Committee on Budget Control is a fine start. But it does leave out controls over about \$60 billion of expenditures—an amount equal to one-fourth of the Budget total. This omission is serious, both in its quantitative and qualitative aspects, and leaves a major aspect of Congressional spending outside of the controls recommended in that Report. Hence it is necessary to see just what is involved in this \$60 billion of expenditures that is not covered.

The omitted \$60 billion are the "tax expenditures" made through special provisions in our income tax laws. These special provisions, for example, involve exclusions of certain items from income where the exclusions are not parts of a normal income tax structure, but represent instead a decision to give financial assistance to the activities or persons involved. The reduction in tax liability resulting from the special exclusion constitutes the financial assistance. Examples, randomly chosen, are the exclusion of Social Security retirement benefits, the exclusion of earnings of employer pension plans, and the exclusion of interest on state and local government obligations. Other special provisions involve deductions granted to provide similar financial assistance. These special deductions are not required to determine a taxpayer's net income in the sense of allowing all of the expenses incurred in earning that income, or in determining the net profits of a business concern. Indeed, financial accounting does not include these special deductions when

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net profits are being reported to shareholders. Instead these special deductions and their consequent reduction in a person's income tax liability are simply a method whereby financial assistance is provided by the Government. Examples, again randomly chosen, are deductions for excess depreciation for buildings and for machinery and equipment, for percentage depletion for oil wells and mineral activity, for interest on residential mortgages, and for political contributions. There are other types of special tax provisions, such as credits against tax for certain expenditures—for example, the 7 percent investment credit for machinery and equipment or the credit allowed business employers who hire welfare persons who have been in training programs. There are special rates of tax, such as the 30 percent rate on corporate capital gains. There are special de-

ferred income—which are really equivalent in effect to partial or full exclusion—such as the deferral of income derived from exports.

These special provisions have collectively come to be known as "tax expenditures." They are in effect tax incentives or tax subsidies granted ostensibly to induce certain action on the part of individuals or corporations or to relieve certain hardships. The Congress has already taken recognition of these "tax expenditures." In the Conference Report on the Revenue Act of 1971 it was stated that the Treasury should make annual estimates of these expenditures and report them to the Tax Committees and the Joint Economic Committee. Pursuant to this statement, the House Ways and Means Committee has published, on October 4, 1972 and again on June 1, 1973, a document entitled "Esti-

mates of Federal Tax Expenditures." The document states:

"The purpose of these tax expenditure dates is to provide information as to the economic benefits provided by the tax laws to the various sectors of the economy. To aid in the analysis, the cost and beneficiaries (in terms of areas of activity) are shown by the same functional categories as outlays in the Federal Budget." The listing of any of these provisions involves no direct, or indirect, presumption about the desirability of any of them in terms of public policy (page 2).

I am including at this point, to make my discussion concrete, a table taken from the document that lists these tax expenditures and the amounts involved for calendar year 1972 (roughly fiscal year 1973). (I am also attaching a copy of the entire document to my statement.)

TABLE 1.—ESTIMATED FEDERAL INCOME TAX EXPENDITURES, CALENDAR YEAR 1972¹

(In millions of dollars)

Item	1972		Total	Item	1972		Total
	Corporations	Individuals			Corporations	Individuals	
National defense: Exclusion of benefits and allowances to Armed Forces personnel.....		700	700	Health, labor, and welfare:		175	175
International affairs:				Disability insurance benefits.....			
Exemption for certain income earned abroad by U.S. citizens.....		50	50	Provisions relating to aged, blind, and disabled:			
Exclusion of income earned by individuals in U.S. possessions.....		10	10	Combined cost for additional exemption, retirement income credit, and exclusion of OASDHI for aged.....	3,550		3,550
Western Hemisphere trade corporations.....	50		50	Additional exemption for blind.....	10		10
Exclusion of gross-up on dividends of less-developed country corporations.....	60		60	Sick pay exclusion.....	225		225
Deferral of income of controlled foreign corporations.....	300	25	325	Exclusion of unemployment insurance benefits.....	700		700
Exclusion of income earned by corporations in U.S. possessions.....	80		80	Exclusion of workmen's compensation benefits.....	375		375
Deferral of income of domestic international sales corporations.....	100		100	Exclusion of public assistance benefits.....	65		65
Agriculture:				Net exclusion of pension contributions and earnings:			
Farming: Expensing and capital gain treatment.....	50	850	900	Plans for employees.....	4,000		4,000
Timber: Capital gain treatment for certain income.....	125	50	175	Plans for self-employed persons.....	200		200
Natural resources:				Exclusion of other employee benefits:			
Expensing of exploration and development costs.....	580	70	650	Premiums on group life insurance.....	550		550
Excess of percentage over cost depletion.....	1,400	300	1,700	Deductibility of accidental and accidental death premiums.....	35		35
Capital gain treatment of royalties on coal and iron ore.....	5		5	Medical insurance premiums and medical care.....	2,500		2,500
Commerce and transportation:				Privately financed supplementary unemployment benefits.....	5		5
Investment credit.....	3,050	750	3,800	Meals and lodging.....	1,200		1,200
Depreciation on buildings (other than rental housing) in excess of straight-line.....	330	170	500	Exclusion of interest on life insurance savings.....			
Asset depreciation range.....	850	10	860	Deductibility of charitable contributions (other than education).....	3,100		3,100
Dividend exclusion.....	400		400	Deductibility of medical expenses.....	1,900		1,900
Capital gains: Corporation (other than farming and timber).....		7,000	7,000	Deductibility of child and dependent care expenses.....	180		180
Capital gains: Individuals (other than farming and timber).....				Deductibility of casualty losses.....	150		150
Bad debt reserves of financial institutions in excess of actual.....	400		400	Excess of percentage standard deduction over minimum standard deduction.....		1,040	1,040
Exemption of credit unions.....	90		90	Pollution control amortization.....	25		25
Deductibility of interest on consumer credit.....		1,100	1,100	Credit for employing public assistance recipients under WIN program.....	5		5
Expensing of research and development expenditures.....	570		570	5-year amortization of child care facilities.....	5		5
\$25,000 surtax exemption.....	2,500		2,500	Education:			
Deferral on tax on shipping companies.....	30		30	Parental personal exemption for student age 19 or over.....	640		640
Rail freight car amortization.....	80		80	Deductibility of contributions to educational institutions.....	275		275
Housing and community development:				Exclusion of scholarships and fellowships.....	125		125
Deductibility of interest on mortgages on owner-occupied homes.....		3,500	3,500	Veterans' benefits and services: Exclusion of certain veterans' benefits.....	480		480
Deductibility of property taxes on owner-occupied homes.....		3,250	3,250	General government: Political contributions.....	100		100
Depreciation on rental housing in excess of straight-line.....	350	250	600	Aid to State and local financing:			
Housing rehabilitation.....	15	25	40	Exemption of interest on State and local debt.....	1,900	1,000	2,900
				Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes).....		5,300	5,300
				Total.....	13,350	46,460	59,810

¹ Estimates are prepared on an individual basis for each item on the assumption that the item would be eliminated from the law without any other changes in the law with respect to the other items. If two or more changes in the law are made, the aggregate revenue effect will frequently not equal the sum of the revenue effects of the individual changes. Accordingly, the costs of the items are not additive.

² Roughly reflect fiscal year 1973.

³ Changes in the 1972 figures as compared to 1971 which are due wholly or in part to revised data and/or new sources of data and/or improved estimating methods.

⁴ The estimate for 1972 considers this tax expenditure in isolation rather than in conjunction with percentage depletion as has been done for the years 1967-71.

⁵ Assumes present restriction on capital losses is retained.

⁶ Not available.

⁷ This will decline over time as present law becomes fully effective.

⁸ This item is being superseded by use of the investment credit.

⁹ Standard deduction.

The overall total of these tax expenditures is about \$60 billion. Moreover, for certain Budget categories the tax expenditures are in excess of the outlays in the regular Budget—for example, Commerce and Transportation, where the tax expenditure total is \$17.6 billion and the Budget total is \$12 billion; or Community Development and Housing, where the tax expenditure total is over \$7 billion and the Budget total is \$4 billion. Moreover, these tax expenditures, considered as subsidies, are larger than the total of all other federal subsidies combined, including cash payments, loan credits and benefits in kind. The Joint Economic Committee, through its study on the Economics

of Federal Subsidy Programs, has pointed this out. Using fiscal year 1970 figures, and data which understated the tax subsidies, it showed a tax subsidy total of nearly \$40 billion compared with a total of \$12 billion for cash payments, \$9 billion for benefits in kind and \$4 billion for credits. (Joint Economic Committee, 1972 Joint Economic Report, S. Rept. No. 708, 92d Cong., 2d Sess. 43 (1972)).

It is thus clear that these tax expenditures, from a quantitative standpoint, are so large that they cannot remain outside any rational system of Congressional control over government spending. These tax expenditures do constitute government spending and do involve large amounts of expenditures.

It is also clear that quantitatively these tax expenditures likewise cannot remain outside the procedures adopted by the Congress to integrate its control over government spending. A decision to provide government financial assistance to a particular group or activity can be implemented either by a direct expenditure program or by a tax expenditure program. Examples are everywhere at hand. Suppose it is desired to grant elderly persons relief from local property taxes. The appropriate legislative Committee can devise a program of direct assistance or the tax committees can devise a credit against income tax, and both the end result and money spent could be the same.

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Suppose it is desired to encourage exploratory drilling for oil. If so, a direct grant system can be devised or the tax committees can devise a system of credits against tax—in either case the amount spent could be the same. (The Treasury has recently recommended these two new tax expenditures.) And so it goes for all spending programs. Competent technicians in the Treasury or the Congress can produce a tax program to match any suggested spending program. This is equally so the other way around—competent technicians can devise direct grants or other government direct expenditure programs to replace tax expenditure programs, present or future. The direct budget or the tax expenditure budget are simple alternate ways of spending government funds. There is thus no rationality in adopting controls and procedures for government outlays that exclude tax expenditures from their scope.

(I do not here propose to consider the comparative merits of using a direct program or a tax expenditure program to achieve a desired government goal. There are important differences. Elsewhere I have stated that the most direct way to achieve tax reform, and also to improve government efficiency and economy in spending, is to reexamine the existing tax expenditures. I also believe that most tax expenditure programs are inefficient when compared with direct programs. See, for example, my Statement in the Panel on Objectives and Approaches to Tax Reform and Simplification, Panel No. 1, in Panel Discussions on General Tax Reform before the House Ways and Means Committee, 93d Cong., 1st Sess. 9 (1973). But the present question is not the merits of tax expenditures but rather their obvious relationship to direct expenditures and the need to cover both types of expenditures in any system of budget control.)

It is apparent when we consider the tax expenditure process that the tax committees are simultaneously functioning as a legislative committee and as an appropriations committee. The tax committee both adopts the substantive program—that is, decide to whom and for what purpose financial assistance will be given—and then appropriate the necessary funds through the reduction in revenue receipts. This being so, the proper course is to apply in effect to the tax committees the rules that are ultimately adopted, as respects controls over budgetary outlays, for legislative committees and appropriations committees. Thus, rules governing increases in appropriations should apply also to increases in tax expenditures. I cannot see any technical difficulties in so including tax expenditures within the new system. The determination of what is a tax expenditure and the classification of tax expenditures by budget categories can be made in the light of the precedents underlying the present reports of the Ways and Means Committee on tax expenditures and appropriate developing experience in this field.

I am not being critical of the Joint Study Committee on Budget Control. Nor do I think there is any basic disagreement on its part or its technical staff with what I am recommending. Rather, I believe the focus of that Committee was so fixed on the problems involved in establishing a structure to control budgetary outlays that through understandable oversight it omitted the consideration and inclusion of tax expenditures.

Once the tax expenditure process is understood as an alternate method of spending government funds, then I believe the conclusions recommended above automatically follow. The Congress has already recognized that the tax expenditure process is such an alternative method, as the document of the Ways and Means Committee illustrates. But this is no new enlightenment. Years ago Chairman Mills recognized that these tax

expenditures were expenditures and stated that they must be kept under control if government spending is to be controlled. In a speech on December 13, 1967, entitled "Back-Door Spending," he underscored the connection between these special tax provisions and total government spending. The following quotation illustrates, directly and prophetically, what I have been saying:

"Mr. Speaker, this fall in connection with the Ways and Means Committee consideration of the proposed tax surcharge and elsewhere I have on several occasions expressed my views on the need for expenditure controls. I have urged expenditure controls. I have urged expenditure cuts for fiscal 1968. I have urged limiting controllable expenditures in 1969 to current levels. I have urged longer run expenditure control through appointment of a Government Program Evaluation Commission to examine the effectiveness of both present and proposed programs in terms of their costs and benefits and in this manner to aid us in establishing relative priorities among different Federal activities.

"But it is not my purpose at this time to express again my views on the need for these direct expenditure controls. I have spoken at length on this subject in recent weeks. Instead I want to speak briefly on another type of spending which usually is not thought of as spending at all. I am referring to what I call backdoor spending. What I would like to emphasize is that the expenditures we turn away from the front door we must not allow to enter through the back door. If we decide that certain programs, however worthy their purpose, cannot be financed at this time by increased spending, because other needs have priority, we should not then turn around an sanction some form of indirect subsidy—in the form of special tax relief—for these programs. . . .

"I have no quarrel with the good intentions of those who propose tax credits for one type of expenditure or another. I know they feel very strongly that the programs for which they would provide the credits should be undertaken now even though, for one reason or another, they do not choose to seek expenditure programs for these purposes. I want to point out, however, that the grant of these tax credits has precisely the same effect on the budget as an outright expenditure. The grant of the additional tax credits increases the size of the budget deficit just as surely as an additional expenditure. That is why I refer to the tax credits as backdoor spending. That is why it would do us no good to have expenditure control if the advocates of spending programs need only to run around to the back door to achieve much the same result by tax credits.

"Additional tax credits would also have the same impact on the economy as additional expenditures. Since expenditures on the part of private persons would be necessary to earn the credits, demands on available resources would be increased and inflationary pressures increased. Those who advocate these credits should well note the fact that a tax credit which reduces budget receipts is just as likely to force a general tax increase as appropriations for direct expenditure. . . .

"As we look ahead to discover ways in which we can keep the budget within reasonable limits, we must not fail to direct a critical eye to the proposals which would give tax credits to those who make certain expenditures. . . . (113 Cong. Rec. 36, 404 (1967))"

These are indeed prophetic words. They are fully applicable today. The lesson they teach leads to the suggestions I am making that these tax expenditures be brought full within the institutional procedures and rules being developed to enable the Congress to integrate its control over the spending process and government expenditures. Un-

less tax expenditures are included within any such new procedures and rules, that integration will be seriously incomplete and the control seriously impaired. Since there is no real difficulty in covering these tax expenditures, the appropriate course therefore is to include them under the new system.

Mr. JAVITS. Because of my continuing interest and concern in the matter of indirect spending by way of tax expenditures I proposed amendments to S. 1541 in the Government Operations Committee that sought to include the concept of tax expenditures in the budget process as specified by that bill. My amendments were accepted by the committee and have been only slightly modified by the Rules Committee in the existing version of the bill.

The purpose of the tax expenditure language in the present bill is to provide that tax expenditures shall be considered at each step of the budget process to measure their impact on budget authority and outlays, their effects on revenue and their general operations in the budget process. If this information is placed clearly before the Congress, spending decisions will be made on a more informed basis than they have been in the past.

It is essential that any contemplated changes in revenues through tax expenditures should be brought to the attention of the Congress during the debate on the congressional budget. Therefore, the report accompanying the concurrent resolution shall contain a list of the estimated levels of tax expenditures by major functional categories. Most importantly in the case of legislation proposing new or increased tax expenditures the revenue committees of each House are charged with the duty of maintaining the appropriate levels of revenues and tax expenditures as set forth in the report accompanying the budget resolution or these committees must justify any deviation from those levels.

While new or increased tax expenditures are not prohibited, the revenue committees will have the burden of justifying any changes and this should lead to a closer examination and more thorough debate of tax expenditures. The provisions of the pending bill, S. 1541, regarding tax expenditures are practically identical with the provisions of the Government Operations Committee version of the bill with the major change being that the list of tax expenditures is now in the report accompanying the concurrent resolution rather than being in the resolution itself.

For purposes clearly of spelling out what is meant by the tax expenditure provisions in the bill, I ask unanimous consent that the appropriate parts of the report of the Committee on Government Operations accompanying S. 1541 be printed at this point in the RECORD.

There being no objection, the excerpts from the report (No. 93-579) are ordered to be printed in the RECORD, as follows:

The bill provides that tax expenditures shall be considered at each step of the budget process to measure their impact on budget authority and outlays, their effects on revenue and their general operation in the budget process. If this information is placed clearly before the Congress, spending decisions

will be made on a much more informed basis in each particular area than they have been in the past.

The committee feels that any contemplated changes in Federal revenues through tax expenditures should be brought to the attention of the Congress when they are debating the Congressional budget. Therefore, the concurrent resolution will reflect any anticipated decreases in Federal revenues attributable to new or expanded tax expenditures contemplated by the tax writing committees for the fiscal year in question. The budget resolution will reflect the considered best judgment of the Congress in regard to appropriate levels of revenues and outlays.

In the case of legislation proposing new or increased tax expenditures, the revenue committees of each House are charged with the duty of maintaining the appropriate levels of revenues and tax expenditures as set forth in each concurrent resolution or of justifying any deviation from those levels.

The Budget Committee shall review and consider existing tax expenditures. This will ensure that any decision or direct spending priorities will be made after consideration of present indirect spending through tax expenditures. The Budget Committee will also determine appropriate changes in the level of revenues including any decrease contemplated from new tax expenditures to be enacted in the fiscal year in question. The Committee shall also determine the existing levels of tax expenditures and consider their effects on Federal revenues and their relationship to other matters within the Committee's jurisdiction. Finally, the Committee shall make continuing studies of tax expenditures and methods of coordinating tax expenditure programs and direct budget outlays.

ASSISTANCE TO BUDGET COMMITTEES

Section 202(a) provides that it shall be the duty and function of COB to provide the Budget Committees of both Houses with information with respect to the budget, appropriation bills, other bills authorizing or providing budget authority or tax expenditures, revenues, receipts, estimated future revenues and receipts, changing revenue conditions, and such other information as the committees may request. It further provides that at the request of the Budget Committees, personnel of COB shall be assigned, on a temporary basis, to assist each such committee.

PROJECTION OF REVENUES AND BUDGET OUTLAYS

Section 202(e) requires that the Director develop for the Congress information as to the effect of existing revenue laws, including tax expenditures, and existing authorizations and budget authority on expenditures during the current fiscal year and for the ensuing 4 fiscal years. This is in keeping with the emphasis on long-range program evaluation and planning required in other sections of the Act. (See titles VI through VIII.)

SEC. 307(d). REPORTS ON LEGISLATION PROVIDING NEW TAX EXPENDITURES

Committees reporting legislation containing new or increased tax expenditures shall include details of how the legislation will affect existing levels of tax expenditures as contained in the budget resolution and why such action is necessary. The revenue committees of each House are charged with the responsibility of fully explaining any new or increased tax expenditures and their effect or impact and have the task of justifying any deviation from the level set forth in the most recent Concurrent Resolution. This is to insure that any new or increased tax expenditure will be approved by the Congress only after a thorough consideration of all relevant

factors. The report will project resulting tax expenditures for each of the budget year and the four following years, and indicate the impact, if any, on state and local government.

Mr. JAVITS. The report will accurately detail the operation of the tax expenditure concept except as I previously indicated for the inclusion of tax expenditures in the concurrent resolution.

It should also be pointed out that in the discussion of estimated revenues and their sources it is also appropriate to discuss tax expenditures as they bear directly on revenues raised through the tax system and any changes therein may have the result of increasing or decreasing estimated revenues.

Finally I would like to reiterate that it is extremely important to consider indirect outlays by way of tax expenditures in the general debate on the budget and also at such times as the Congress is considering tax legislation. If we do this, decisions made in this area will be on a more informed basis than ever before and will be coordinated to a much greater degree with our direct spending through the budget process.

Mr. President, this legislation provides a workable way for Congress to undertake its examination of the needs and program alternatives, and the allocation of revenues to diverse human and national needs. It will establish a means for more responsible and disciplined execution by Congress to its responsibilities in the budget-policymaking fields.

It will allow Congress to acquire the means for the gathering of interpretive and analytical data on spending and related programs. Most importantly, it will facilitate the use of objective expenditures analyses to help it form independent judgments on appropriations matters. There are no simple solutions or panaceas for this problem. I trust that some of the solutions which will begin to resolve these problems may be found in this bill.

Mr. HUMPHREY. Mr. President, I want to express my thanks to the Senator from New York. The amendment he has is very much needed. It will add a great deal to the bill and to the Congressional Office of the Budget, to the whole process of budgeting and what it means to the economy of the country. I am honored to be a cosponsor and commend him for his early leadership. I am glad to be a soldier in the ranks.

Mr. JAVITS. I thank my colleague very much.

Mr. PERCY. Mr. President, while the Senator from Minnesota is on the floor, I would simply like to indicate that he expressed in great deal his enthusiasm for the concept of establishing goals, but I felt that the amendment offered by the Senator from Minnesota was too demanding and required too much of the Congressional Office of the Budget.

The Senator from New York in his present amendment has offered something that can add greatly to the body of understanding and knowledge as to where we are going and what our national goals are, but has done so in a way that can be manageable and can be, I think, properly handled.

The Senator from Illinois would be

honored indeed to be added as a cosponsor.

Mr. JAVITS. I shall do that, and I thank my colleague.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator from Indiana will state it.

Mr. BAYH. Is it appropriate to discuss for 3 or 4 minutes a nongermane subject at this time?

Mr. ROBERT C. BYRD. Mr. President, if the Senator from Indiana will yield, I would ask unanimous consent that no further time be charged against the pending bill today and that the Senator from Indiana (Mr. BAYH) may speak out of order on any matter, which he can without this request and certainly without having time yielded to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment of the Senator from Ohio (Mr. TAFT) tomorrow, there be a time limitation of 30 minutes to be equally divided and controlled in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I ask unanimous consent that a memorandum prepared by the U.S. Senate Republican Policy Committee under the chairmanship of the distinguished Senator from Texas (Mr. Tower) and prepared by the able staff be printed in the RECORD. I believe that this represents an exceptionally fine analysis of the Congressional Budget Act of 1974. If by this time any Member of the Senate has not read every single page or every single line of the 185-page bill, S. 1541, this quick summary is available. We Republicans are happy to share it with our colleagues on the other side of the aisle. It is a quick, thumbnail summary of this complex piece of legislation which will have a profound impact on the way the Senate and House conduct their business and the way we shall carry out our fiscal responsibilities.

Mr. President, I should like to commend the staff of the Republican Policy Committee, under Edward Beach, for the very fine analysis they have made of this piece of legislation.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

S. 1541: CONGRESSIONAL BUDGET ACT OF 1974

Reported: February 21, 1974, Rules (Sen. Rept. 93-688). (Originally reported from Gov. Ops., Nov. 20, 1973, Sen. Rept. 93-579, referred to Rules, Nov. 30, 1973.)

Purpose: Create Congressional budgeting system assuring most effective use of revenues as well as control over budgetary process.

Title I: Establishes new 15-member Committee on the Budget, appointed by party caucuses, presumably including some members of Finance and Appropriations Committees; would be a Category A standing committee with its own staff; application of two major committee limitation rule deferred until 96th Congress. (House would determine composition of its Budget Committee and all other matters affecting House rules and procedures.)

All concurrent resolutions on budget, etc.,

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hereinafter described, to be reported out by this committee; would provide information and recommendations to help Congress determine overall fiscal policy; would oversee activities of Congressional Office of the Budget.

Title II: Establishes nonpartisan Congressional Office of the Budget (COB); Director, Deputy Director appointed by Speaker and President Pro Tem, after consultation with Budget Committees, with House and Senate approval; six-year term, renewable, same compensation as Comptroller General; removed by resolution of either House. Director appoints and fixes compensation of Office personnel.

COB to assist Budget Committees, provide tabulations on effect of revenues, authorization and appropriation bills, tax expenditures (revenues lost through exemptions, deductions and loopholes), and projections pertaining thereto for five fiscal years. Personnel and functions of Joint Committee of Reduction of Federal Expenditures transferred to COB, Joint Committee abolished.

Title III: Provides for following budget process and timetable: (Fiscal year beginning July 1, 1975, modified to run to Sept. 30, 1976; beginning October 1, 1976, fiscal year would begin on October 1 of each year and end on Sept. 30 of following year. New budget process to go into effect for FY 1977, beginning Oct. 1, 1976—Title V, Sec. 501.)

By Nov. 15—President submits current services budget, presenting program and funding levels for year just past, giving Congress line-item information for budget analysis for upcoming fiscal year.

By Feb. 15—President submits budget for next fiscal year.

Budget Committees begin hearings with respect to economic conditions, national priorities; Appropriations Committees begin hearings with respect to program levels.

By April 1—Reports from all committees, including proposed authorization or spending levels from standing committees, recommendations as to fiscal policy from Joint Economic Committee, and revenue estimates from Joint Committee on Internal Revenue Taxation, submitted to Budget Committees in each House.

By April 15—COB submits report to Congress (described in Title II, Sec. 202(d)) as to alternative levels for next fiscal year of total revenues and outlays, resulting surpluses or deficits and tax expenditures, indicating differences in economic projections and budget levels as submitted by President.

By May 1—Each Budget Committee reports a concurrent resolution (First Mandatory Budget Resolution) to its House, containing recommended levels and amounts for next fiscal year of:

1. Total budget outlays, total new budget authority, estimated revenue receipts, estimated deficit or surplus, any recommended change in Federal revenues, public debt level and recommended change in statutory debt limit, if any; and
2. Estimate of budget outlays and new budget authority by major functional categories, e.g., as exemplified in President's budget: national defense; international affairs and finance; space research and technology; agricultural and rural development; natural resources and environment; commerce and transportation; community development and housing; education and manpower; health; income security; veterans benefits and services; interest, general government; general revenue sharing; contingencies; and undistributed intragovernmental transactions.

Within each functional category, a division of totals for existing and proposed programs; within existing programs, a division between permanent and current appropriations; within current appropriations, a division between controllable and other amounts. (See pp. 14-16 of Report for example.)

Resolution may include control provisions such as when new budget authority contained in individual authorization or spending bills can go into effect.

Budget Committee also to provide report with supporting data for all proposed levels in budget resolution, comparisons between President's and Committee's budget levels, and underlying economic assumptions supporting such levels; projections for next five fiscal years of outlays, revenues, deficits or surpluses, and tax expenditures; explanation of significant changes in levels of Federal assistance to State-local governments; allocations of appropriate levels of total budget outlays and new budget authority among each Senate and House committee having jurisdiction over new budget authority. Allocation to Appropriations Committees further subdivided among their subcommittees. An explanation must be made of Budget Committee actions taken with reference to recommendations submitted earlier by Joint Economic Committee and all standing committees.

Debate begins in each House on First Mandatory Budget Resolution. In Senate, debate limited to 50 hours.

By May 15—Standing committees report bills authorizing new budget authority.

By May 20—Each House completes action on first concurrent budget resolution for next fiscal year, except for action on conference report on resolution. In Senate, conference report debate limited to 10 hours. If conference committee unable to agree within 7 days, then conferees submit to respective Houses report recommending amounts agreed upon, and midpoint in amounts disagreed upon between original House and Senate amount. Conference report on First Mandatory Budget Resolution not required before May 25.

By June 1—Congress shall complete action on First Mandatory Concurrent Budget Resolution for next fiscal year. (Bill requires two such Resolutions; Congress may enact more.)

Thereafter, Budget Committees shall make allocations (based on foregoing Resolution) of total budget outlay and new budget authority to each standing committee; allocation to Appropriations Committee subdivided among their subcommittees, and each subdivision divided between controllable and all other amounts.

Neither House nor Senate can consider any bill providing for new budget authority, or change in revenues or public debt during fiscal year, until concurrent resolution for such year has been agreed to or until June 1, preceding fiscal year, whichever comes first.

Exceptions to above: If bill provides new advance spending money, e.g., Social Security trust fund; or new budget authority or revenue change to take place after fiscal year to which resolution applies. In Senate, if committee requests waiver through Budget Committee, which has 10 days to recommend pro or con, and if Senate approves.

Reports accompanying all bills or resolutions from committees providing new budget authority must contain, after consultation with COB, comparison with most recently agreed to concurrent resolution; projection, if practicable for five fiscal years, of budget outlays resulting from bill; impact of bill on State-local governments.

COB to supply up-to-date comparison of new budget authority, changes in revenues, etc., in bills enacted by Congress, with outlays set forth in most recently adopted budget resolution.

As soon as practicable, after start of new fiscal year, COB to issue report giving projections for each of next five years of total new budget authority, total budget outlays, revenues by source, and surplus or deficit.

With each bill providing new budget authority for uncontrollable outlays, Appropriations Committees in each House shall

estimate total uncontrollable outlays under new and previous budget authority.

By August 1—Budget Committees estimate total outlay during next fiscal year under budget authority not provided in Appropriations acts.

Not later than 5 days before August recess, or by August 7—All bills providing new budget authority (other than supplemental, deficiency, or continuing appropriations), or new tax expenditures, for next fiscal year shall be enacted into law.

Not later than 3 days before August recess, or by August 15—Budget Committees shall report Second Mandatory Concurrent Budget Resolution for next fiscal year, which reaffirms concurrent resolution most recently agreed to or revises it in terms of subsequent congressional action and latest budget and economic developments.

Not later than 3 days after end of August recess (recess to be cut to 23 days) or not later than 4 days after Labor Day—Congress shall complete all action on Second Mandatory Budget Resolution.

By September 25—Reconciliation Bill shall be completed by Congress containing changes in laws made necessary by revisions under Second Mandatory Resolution.

After completion of above, neither House nor Senate can consider any bill, amendment thereto, or conference report thereon, which would cause total new budget authority or total outlays in most recent concurrent budget resolution for fiscal year to be exceeded.

Title IV: Controls on Outlays, Backdoor spending and Deadline on authorizing legislation.

Sec. 401 (a) Neither House nor Senate can consider bill or amendment providing new contract or borrowing authority (defined in subsec. (c) (2) (A) or (B)) unless such authority is to be effective for any fiscal year only to extent provided in Appropriations Acts.

(b) Neither House nor Senate can consider bill providing new mandatory entitlement authority (defined in subsec. (c) (2) (C)) which becomes effective before first day of fiscal year which begins during calendar year in which such bill is reported. Any such bill reported by Senate or House committee shall be referred to Appropriations Committee, which must report with recommendations within 10 days. Same referral for any such amendment agreed to in House or Senate. Appropriations Committee in each House can report bill referred to it with amendment which limits total of new entitlement authority.

(c) Defines new advance spending authority; advance spending authority, including contract or borrowing authority, and entitlement authority. Does not include loan guarantees.

(d) Exceptions:

(1) Subsections (a) and (b) do not apply to new advance spending authority if budget authority for outlays resulting from new advance spending is derived from Social Security Trust fund or any other trust fund established before enactment of Budget Act, which gets a substantial portion of receipts by separate taxes, e.g., Highway Trust fund, or any similar trust fund established by law after enactment of Budget Act which acquires 90 percent or more of receipts by separate taxes.

(2) Shall not apply to new advance spending authority which amends or extends State and Local Fiscal Assistance Act of 1972.

(3) Shall not apply to new advance spending authority where outlays are made by mixed ownership or wholly owned Government corporation specifically exempted by law from compliance with provisions of the Act.

Sec. 404 (a) Expands jurisdiction of Senate Appropriations Committee to include all proposed legislation relating to rescissions of appropriations contained in appropriations acts

enacted at any time; amount of new contract or borrowing authority which is to be effective for any fiscal year; referral of all new or increased entitlement authority in bills reported out of other committees for possible limitation of new amount.

Title V: Refers to Change of Fiscal Year, and transition legislation necessary therefor.

Title VI: Refers to President's Budget, Amendment of Budget and Accounting Act, 1921. President shall enumerate estimates and recommendations as to six basic items contained in Congressional concurrent budget resolution of this Act; existing levels of tax expenditures; comparison of total estimated outlays for uncontrollables, and revenues for last completed fiscal year as made in his budget and actual outlays made and revenues received, and explanation for difference between two sets of figures.

President's budget must make allowance for additional estimated expenditures and unanticipated additional uncontrollable outlays for next fiscal year.

Following agencies and funds no longer excluded from inclusion in Budget of the United States:

Environmental Financing Authority; Export-Import Bank; Federal Financing Bank; Rural Electrification and Telephone Revolving Fund; Rural Telephone Bank; and United States Railway Association.

Title VII: Program Review and Evaluation by standing committees, and by Comptroller General. One form of evaluation may be by pilot testing.

Title VIII: Fiscal and Budgetary Information and Controls.

Proposes that Comptroller General, in cooperation with Secretary of the Treasury, OMB Director, and COB Director, develop standard terminology, etc., for Federal fiscal, budgetary, and program-related data and information; such terminology to be used by all executive agencies in supplying Congress such information.

Title IX: Miscellaneous Provisions; Effective Dates.

Title X: Appropriations Reserves—Amendment to Antideficiency Act of 1950. Retains authority to establish reserves for contingencies, or to effect savings whenever made possible by changes in requirements or greater efficiency of operations. Prohibits use of reserves ("impoundments") for fiscal policy purposes or to achieve less than full objective and scope of programs enacted and funded by Congress.

Amendment No. 1017: Chiles-Roth. Provides for open hearings and meetings of the Committee or any subcommittee thereof except when matters dealing with national defense secrets are being discussed or when matters before the committee would hurt an individual if made public, disclose the name of an informer or law enforcement agent, deal with purely internal staff matters, etc. Record vote of majority present required to close meetings.

Amendment No. 1023: Brook-Metcalf. To call upon the Budget Committees of both Houses to conduct continuing study of proposals for improving budgeting procedures, and to report its findings and recommendations to the Congress. To facilitate effort, Budget Committees are authorized to create task forces of experts drawn from congressional and executive agencies.

Amendment No. 1024: Chiles-Javits et al. Provides for an annual report on national goals and priorities from the Director and requires much more detailed information from both the President and each individual agency to support budget requests.

Amendment No. 1028: Kennedy-Pearson. The new Budget Committee set up by the bill will be a major Senate committee. Under Senate rules, Senators are limited to serving on only two such committees. The reported bill contains a provision exempting members of the new Budget Committee from

this major-committee limitation until 96th Congress convenes (January 1979), avoiding forcing initial members to give up one of their present two major-committee assignments. This amendment would limit the "grandfather" clause to the 95th instead of 96th Congress, thus allowing exemption for one full Congress rather than two as provided by the bill.

Mr. TOWER. Mr. President, I support passage of S. 1541, the Congressional Budget Act of 1974.

Among legislative bodies in this world, the American Congress is a rare species. It actually initiates legislation; it actually works its will on money bills for the executive agencies.

We tend to take this for granted. Unfortunately, so do many Americans, no matter what their background in terms of education, familiarity with Government, or political views.

We have but to look abroad and note how feeble—comparatively speaking—most so-called legislatures are. They may indulge in fierce and, even elegant debate. But they have little self-generating legislative power. For the most part, all legislative initiative—and particularly with respect to budget matters—rests with the Cabinet or whatever other term is used to describe executive-administrative authority.

And here I am speaking of the democracies, with true representative political institutions—not the rubberstamp travesties that posture as legislative assemblies in totalitarian countries.

So we must guard and treasure our genuine legislature. Yet, it is generally conceded we have allowed our power of the purse to dribble away during the many years of crisis government, while executive and administrative agencies have grown to such proportions.

Congress has ducked the question of regaining control too long. In fact, the argument may well be made that it was President Nixon's attempts to control expenditures last year by impounding funds—and I am not addressing myself to the question of constitutionality or even propriety at this point—which finally forced us to bite the bullet.

This Budget Act represents a conscious effort to restore the rightful power of Congress—to revitalize it—to adapt it to the world we live in today.

An enormous amount of work went into its drafting. This has been a hasty, patchwork affair. The Joint Committee on the Budget made its contribution by restating the problem and suggesting needed changes. The Government Operations Committee reported out the first version of an actual bill. Finally, a special staff assembled by the Rules Committee revised that bill into its present form.

I think this unprecedentedly lengthy and careful deliberation indicates how seriously we all took this question of budget reform.

I would comment, parenthetically, that the Republican Policy Committee and Conference had proposed several reforms in more general terms over the past few years. We had particularly stated our desire that the authorization process be speeded up. Delay on authorization bills was causing an inordinate slowdown of

the appropriations process. It has become routine that appropriations for our most vital and costly programs are not finally approved until the fiscal year to which they apply is well advanced. In some cases it is already half over.

On February 5, 1974, I read into the record a Republican Policy Committee statement endorsing the concept of S. 1541.

I also introduced a Sense of the Senate Resolution unanimously approved by the Republican Policy Committee, Senate Resolution 275, proposing that authorization measures must be reported out not later than 1 month prior to the beginning of the fiscal year to which they apply.

I am delighted, therefore, that the act sets May 15 prior to the new fiscal year as the cutoff date for reporting authorizations.

All of us recognize that despite the heroic work done, the act itself is imperfect, and will have to be revised as experience demonstrates the need.

But it is a sign of the new vigor with which Congress views its power and responsibilities. It does attempt to put "backdoor" spending once more within the purview of our regular appropriations process. It does attempt to restore the power of the purse. For that reason alone, the act deserves support and passage.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed at this point in the Record a letter signed by Senators Tower, Proxmire and me, together with the letter from the Secretary of the Treasury, in support of the amendment proposed by us, amendment No. 1050.

There being no objection, the letters were ordered to be printed in the Record, as follows:

DEAR COLLEAGUE: We expect today to call up an amendment to S. 1541, the Budget Control Act, which would retain the present exemption from the budget for the Federal Financing Bank.

We support the efforts of the bill's sponsors to structure the budget in a manner which more realistically reflects Federal expenditures for the purpose of promoting better budget control. We believe, however, that inclusion in the budget of the Federal Financing Bank would be counterproductive to that goal.

Rather than a program agency, the Federal Financing Bank is basically a conduit at the Treasury Department through which various agencies could market program obligations which they would otherwise market themselves. The Treasury Department believes that due to more efficient marketing and better marketability of Treasury obligations than program obligations, the government could save ½% or more interest on agency borrowings if the Bank is used. In many cases, benefits are passed on directly to program participants.

About 85% of these obligations are Federally guaranteed and would continue to be financed outside the budget under S. 1541. However, if the Federal Financing Bank is included in the budget, such obligations also would be included if the Federal Financing Bank purchased them in order to substitute its more efficient obligations in the securities market.

Inclusion of these sums would not reflect government expenditures, because the Bank's outlays would be financed directly by borrowing from the public rather than tax re-

ceipts. Yet, so much money is involved that the agencies making the decisions virtually would be forced to continue their present inefficient forms of marketing rather than using the Bank and thus increasing budget totals.

The result is not likely to be greater budget control, but instead more expensive programs to meet agricultural, rural and urban housing, education, small business, health, transportation, and other pressing needs.

We will furnish a letter from Treasury Secretary Shultz which supports this position.

Sincerely,

JOHN TOWER.
 JOHN SPARKMAN.
 ROBERT TAFT, JR.
 WILLIAM PROXMIRE.

SECRETARY OF THE TREASURY,
 Washington, D.C., March 14, 1974.

Hon. SAM J. ERVIN, JR.
 Chairman, Government Operations Committee
 U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In our further review of S. 1541, we find one provision concerning the Federal Financing Bank, created by the Congress on December 29, 1973 (P.L. 93-224), which would effectively negate the purpose of that recent legislation.

Specifically, Section 606 of S. 1541, as reported by the Senate Committee on Rules and Administration on February 21, 1974, would repeal a number of provisions of law which exclude certain programs and agencies, including the Federal Financing Bank, from the Federal Budget totals and limitations. Inclusion of the Federal Financing Bank in that provision misconstrues the nature and purpose of the Bank, which conducts no substantive program and is designed solely to coordinate and make more efficient borrowing by other Government agencies that will take place in any event. The decision on appropriate budgeting treatment should be made with respect to the substantive agencies, not with respect to the Federal Financing Bank.

I sympathize with the objective of Section 606 to provide for better budget control. If the Congress determines that certain substantive Federal credit programs be included in the Budget, this can and would be assured by including those programs in the Budget. This objective would not be achieved by including the Federal Financing Bank in the Budget. The Bank is simply an optional financing vehicle to consolidate and to lower the costs of market borrowing activities for other Federal agencies. The Bank is authorized to issue its own securities and to use the proceeds to purchase any obligation issued, sold, or guaranteed by a Federal agency. Such purchases by the Bank would not affect the budget treatment of the agency operations. That is, those agencies which are in the Budget would not be removed from the Budget by using the Financing Bank. Nor would agencies outside the Budget be brought into the Budget simply because their obligations were financed by the Bank. Thus the Federal Financing Bank itself would have, and should have, no effect on the Federal Budget outlay and receipt totals or surplus or deficit except, of course, that budget savings would be realized over time by the reduction in agency financing costs made possible by the Bank.

The need for the Federal Financing Bank arose from the fact that over the years Congress provided many Federal credit agencies with authority to conduct their financing activities independently. The result has been a proliferation of inefficient Government-backed obligations in the market in the form of agency issues, sales, or guarantees of securities.

To a considerable extent, such agency financing is today in the form of guaranteed

securities. This form of financing is outside the Budget today, and under the terms of S. 1541 would remain outside the Budget. Much of the savings made possible by the Bank would arise from financing such guaranteed obligations through the Bank. In many cases, such as guaranteed Farmers Home notes, public housing bonds, and GSA certificates, the Government itself would directly realize the savings in interest costs since these programs involve direct Federal interest payments. In other guarantee programs, such as Merchant Marine bonds, Amtrak issues, and Washington Metropolitan Transit Authority bonds, the interest savings would benefit the guaranteed borrowers but should in the end also lead to a reduction in Federal construction or operating subsidies for these programs.

If the Federal Financing Bank were to be included in the Budget while the substantive guarantee programs themselves remain excluded, those Federal agencies could not find it practicable to use the Bank to finance guaranteed securities. The net effect would be that most agency financing activities would continue to be conducted directly in the market in less efficient forms and at substantial additional costs to the programs being financed and to the Federal taxpayers.

In sum, the decision as to appropriate budgeting treatment should be made with respect to the credit programs themselves, and not on the basis of whether they choose to use the Federal Financing Bank as a financing vehicle. It is not my intention here to suggest which Federal credit programs should be in the Budget. I merely wish to point out the overlapping, and therefore self-defeating, nature of including the Federal Financing Bank in Section 606.

Sincerely yours,

GEORGE P. SHULTZ.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. BIDEN. Mr. President, on March 20, the Senate voted to approve amendment No. 1017 to S. 1541, the congressional budgetary reform bill. I was unavoidably unable to be present at the rollcall on this amendment, which I was a cosponsor of and which was approved 55 to 26. Had I been present, of course, Mr. President, I would have voted "yea."

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. HATHAWAY). The nominations on the Executive Calendar will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nominations in the Department of Justice as follows:

William J. Mulligan, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin.

John L. Buck, of Pennsylvania, to be U.S. marshal for the middle district of Pennsylvania.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

COMMISSION ON CIVIL RIGHTS

The second assistant legislative clerk read the nomination of Arthur S. Flemming, of Virginia, to be a member of the Commission on Civil Rights.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF LABOR

The second assistant legislative clerk read the nomination of Abraham Weiss, of Maryland, to be an Assistant Secretary of Labor.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

SURELY, MR. PETERSON, YOU HAVE BETTER THINGS TO DO

Mr. METCALF. Mr. President, the erosion of congressional power and the accompanying imbalance in what was designed to be a Federal Government of coordinate and coequal branches did not begin with the Nixon administration—with the impoundment of appropriated funds, the dismantlement of programs of Federal assistance, the design for a mini-super-Cabinet or the frightening near-success of a determined effort to undermine—if not destroy—the constitutional checks and balances that have sustained democratic government in this land for almost 200 years.

The eating away at the capacity of the Congress to effectively represent the people has, for the most part, been as silent, as long-lived and as constant—and, taken in each instance, as seemingly insignificant—as the carrying away of few grains of sand in a single wave in the infinite wash of wave after wave receding from a shoreline.

And, so long as the attention of the Congress and its reactions to incursions into jurisdiction are manifested in momentary, piecemeal and unrelated responses, we will have no more success in checking the erosion of congressional power than if we sought to save that shoreline with a shovelful of sand.

Anti-impoundment legislation, for example, and the enforcement of congressional subpoenas for information, while appropriate—again, in each instance—to meet two recent challenges to congress-

sional authority, could not go far to restore the balance of powers lost over the years.

It is past time for the Congress to put its coequal branches on notice that we have found our voice again and that we object to either the courts or the executive assuming it is better able to make a legislative decision than are we. It is time to halt the unfortunate trend that finds powers—constitutionally committed to the legislature—being exercised in the chambers of our courts and the conference rooms of Federal agencies.

Whether the decision is to commit this Nation to a war in some remote corner of the world or to terminate a commitment to cleaner water or better housing here at home, that determination properly rests with the elected representatives of the people—the Congress of the United States—to whom the Constitution grants the power to legislate a decision, in the name and on behalf of the people.

To regain and maintain the independence, power and integrity of legislative action, the Congress must, first, recognize the destructive cumulative impact of isolated acts of the executive and judicial branches which threaten that independence, power and integrity. Second, we must act—as a body—to respond to any exercise of our jurisdiction by another with sufficient forcefulness to gain, not only the attention, but the respect and accommodation, as well, of those who would challenge the rightful role of the Congress.

I am prompted to make these remarks by a matter which has come to my attention in my capacity as chairman of the Joint Committee on Congressional Operations—the committee chartered by the Congress—

To make a continuing study—of the Congress—with a view toward strengthening Congress, . . . improving its relationships with other branches of the United States Government, and enabling it better to meet its responsibilities under the Constitution.

For the past 3 years, the Joint Committee has monitored and studied the access to and use of the courts as a mechanism for the implementation and enforcement—and the restriction—of congressional powers and prerogatives. At the present time, there are more than 50 cases pending in the Federal court system which involves Members of Congress as parties, or which involve issues of particular interest and import to the Congress. There are, in addition, more than sixty cases pending involving the impoundment issue and in a number of these cases Members are acting as parties-plaintiffs.

In connection with one of these impoundment cases, the Assistant Attorney General in charge of the Criminal Division, Henry Petersen, recently informed a Member of the other body that a criminal investigation had been initiated to determine whether a member of his staff had violated the provisions of section 205 of the criminal code, title 18, United States Code. The pertinent language of that section makes it a crime, punishable by a maximum fine of \$10,000

and prison term of 2 years, for "an employee of the United States in the legislative branch" to act "as agent or attorney for prosecuting any claim against the United States."

The staff person, who is the subject of Mr. Petersen's investigation, is an attorney, fully qualified and registered to practice in the District of Columbia. He is the legislative assistant of the Member, who, along with five townships in his congressional district, is plaintiff in the impoundment lawsuit. The legislative assistant is the attorney of record in the case.

I am told that the suit alleges that the actions of the defendants—Housing Secretary Lynn and OMB Director Ash—nullified the Member's vote and substantially affected his ability to represent his constituents and that the court action was initiated by the staff assistant at the specific direction of the Member-employer as one of his staff duties. The mandamus action seeks only to compel the defendants to comply with Federal law by implementing a Federal program authorized by the Congress and disbursing funds specifically appropriated for that program by the Congress.

The statutory language excludes from the ambit of section 205 acts which are "in the proper discharge—of the employee's—official duties." Thus, it appears that the Justice Department, at least initially, is of the opinion that the "official duties" of a congressional staff assistant do not encompass the duties undertaken by this young attorney on behalf of his congressional employer—even though such duties were assigned to him solely because of his position as a member of the staff and no additional compensation was given him because of the additional task.

As Members of Congress, we each receive funds for the hiring of staff to assist us in the representation of our constituencies. The staff does not operate within the framework of bureaucratized "job descriptions," but performs assignments and tasks for their employers in accordance with the Senator's or Representative's directions, which are based on a determination of how best to apportion available manpower and funds to respond to the needs of the people of the State or district represented.

I, for one, do not need the Justice Department to tell me what the "official duties" of any member of my staff should or must be. I do not have any "plumbers" on my staff; they are all engaged in the business of the Congress. If there is a need for definitions of congressional staff positions—and no such need has ever been shown to my knowledge—neither the Executive nor the courts need worry about writing them. The Congress would have the responsibility and the only capability to do so.

It is equally true, that the Congress does not need the Justice Department to interpret for it the legislative intent of a law, for which a detailed legislative history is recorded in the official documents of the Congress.

The bill from which section 205 was taken was the product of more than 3 years of study by a House Judiciary Sub-

committee chaired by the chairman of the full committee, former Representative Celler. One main thrust of that bill was described to be "to strengthen, revise, and simplify existing Federal conflict-of-interest laws," some of which dated back to the early 1870's.

In accord with that "conflicts" purpose, section 205 sought only to preclude an employee's "peddling" of actual or supposed influence, gained from his position of employment, in the private representation of others in claims against the Government.

No one of these elements is present in the instant situation.

Is it a felony—for that would be the charge against this staff assistant—for a congressional staff assistant, acting in his or her official capacity, to assist the Member of Congress employing the assistant in a matter which is within the Member's representative responsibilities to the constituency he is elected to serve?

It seems apparent that in the present situation there is no unofficial or private representation, there is no private gain, there is no "influence peddling" and there is no conflict of interest. This Member, with the assistance of a staff attorney, is merely asking the court to require compliance by the executive branch with the constitutional duty placed upon that branch to see that the laws are faithfully executed. If anything, there is a mutuality of interest amongst all the parties involved, be they plaintiffs or defendants or the general public. Is it now to be a felony to ask, in this administration, for compliance with the Constitution by those charged with implementing the laws passed by the Congress? It would seem to require a complete prostitution of the language and the intent of the statute to find it applicable to such a situation.

If the incipient action of Mr. Peterson does not rise to the level of intimidation, it smells sourly of harassment and reeks to high heaven of poor judgment.

It must be remembered that there is no "House counsel" for the Congress, no Attorney General for the legislative branch. If a Member of Congress, a committee or any representative of congressional interests wants to enforce or protect those interests in the courts—if we are to follow the interpretation of this conflicts-of-interest statute urged upon us by Mr. Petersen—legal counsel would have to be obtained from outside the Congress. Obviously, the Justice Department is not going to represent the Congress in an impoundment action against officers of the executive. So, too, few Members of Congress can afford the fees for counsel that would result from such involved and protracted litigation, nor should they be asked to personally fund such suits brought in the public interest.

The alternatives—such as asking a law firm to accept the Congress as a "pro bono" client or having a congressional party join with a public interest lawyer in a lawsuit, when both may also be engaged in "lobbying" activities before the Congress—have the potential for raising very real questions of conflicts of interest.

Unless and until the Congress determines that it is appropriate to consider

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ever carried. For example, in the fall of 1939, we had about 600 million bushels of corn as a carryover prior to harvest of the new crop. In 1940, this carryover had gone up to nearly 700 million bushels.

In the late 1920s, and up to 1933, by comparison, corn reserves under private warehousing never got above 280 million bushels.

I am using figures for corn only, for simplicity's sake, but they reflect the entire grain storage situation, although the peak storage of wheat was reached later, in 1942. Corn, of course, as you know, is the most important grain in this country in volume of production and use.

This great "surplus" of corn in 1940, overhanging the market, as was said at the time, proved to be a resource of very great value to this country when World War II broke out and the demand for food rose sharply among the allied nations. Reserves of corn and other grains were depleted rapidly to fill war needs.

Reserves of grain also accumulated in the years following the war, reaching a high point in the case of corn in the fall of 1950 at around 850 million bushels. This reserve also proved to be a valuable asset when the Korean War increased the demand for food. In spite of increasing harvests of corn in the next couple of years, the reserves were reduced.

In the late 1950s, grain reserves piled up to the highest level ever, under the farm program then in operation under the management of Agriculture Secretary Ezra Benson.

Price supports and loan values of grain were kept at a high level, but there was no crop acreage control. The result was that corn reserves accumulated to the extent of 2 billion bushels by Oct. 1, 1961. These reserves were lowered during the next few years by stimulation of large exports and by crop acreage controls limiting production. Even so, we still had a reserve of corn on Oct. 1, 1964, of 1.5 billion bushels.

Here again, a "burdensome" surplus turned out to be a very useful reserve when grain production fell off drastically in South Asia in 1965 and 1966. In those years, in fact, the three largest grain producing countries in the world—China, Russia and India—all suffered drought conditions.

The United States, fortunately, had a big supply of grain on hand, including 1.2 billion bushels of wheat in July, 1963, and was able to meet the needs of South Asia, while Canada and Australia were selling wheat to China and Russia.

The fourth example I should like to mention is the short crop in Russia in 1972 and the entry of the Soviet Union into the world market on an unprecedented scale to buy wheat. Here again, the United States had large reserves and was able to sell 600 million bushels to Russia.

I won't go into the question of how this sale was handled and how it was allowed to distort American markets and result in skyrocketing food prices. My only point here is that the U.S. did have a big supply of grain on hand, and this supply turned out to be useful in a time of world shortage.

In all these cases, but particularly in the last one, a well-understood policy of government management of stocks would have improved the situation. In 1971 and 1972, for example, Agriculture Secretary Earl Butz seemed to view our reserves as a horrible surplus, something to get rid of by any means whatsoever and as quickly as possible. Dr. Butz is a child of the era of surplus psychology in American agriculture, like many of the rest of us. He also is a doctrinaire believer in free markets and keeping the government out of them. A person with this philosophy is not the right person to deal with the handling of grain surpluses and shortages, because his heart is not in the job.

If we had had a clear policy of retaining a minimum reserve stock of grain in this

country, Secretary Butz could not have dumped it overseas to the Russians at cut-rate prices the way he did. He would have had to think of a balancing operation, not just getting the government out of the grain business.

Many people feel that the private grain trade is able to handle the balancing function of holding grain reserves in time of plenty and disseminating them in time of shortage. The 1972 case is a good one to examine from this point of view. Several of the big grain companies were operating individually, in secret, making deals with the Russians. Presumably, no one firm or agency, not even the Department of Agriculture, knew exactly what was going on.

There is no reason why private grain companies and farmers cannot handle a good deal of the grain storage function. However, a central planning agency, the Department of Agriculture, must overview the whole situation and decide what is the reasonable reserve to be carried under the circumstances and to see that it is carried. Someone also must decide, on the basis of understood rules of pricing and in-storage targets, when grain is to be moved out of storage. That cannot be left to private business. Individual business firms cannot be expected to undertake, on their own, to provide a reserve for market stabilization.

The sensible operation of a national grain reserve or ever-normal granary policy can minimize the need for acreage adjustments. As far back as 1935 and 1936, Henry Wallace was saying that grain reserves could help stabilize prices and reduce the need for changes in acreage. However, the nation never has adopted such a policy consciously.

Many people think that we will never have agricultural surpluses again and that food will be scarce from now on. If this is so, all the more reason, from the consumer viewpoint, why adequate reserves must be built, because some years are going to be shorter than others, and we will still need a balancing supply for emergencies. In my own view, we could have surpluses again, and not far in the future, either.

Russia had a big crop in 1973. If Russia has another big crop this year, and if North America harvests more grain than ever before, as seems likely, world grain prices could tumble very sharply. At such a time, grain reserves should be built up, on farms and in elevators in terminal distribution points. We should know by now that such stocks of grain will come in handy sometime ahead because of drought or unusual export demand.

During the accumulation of such stocks, of course, prices will be supported, protecting and stabilizing the income of farmers. Farmers need to recognize, however, that when grain reserves are disseminated during a time of shortage, their prices will be reduced. The overall advantages of stabilization to them are great.

Opposition to this legislation is being aroused among farmers on the usual argument that market "overhang" is injurious to farmers, making them subject to capricious action by the government to wreck their markets. The answer to such fears is to establish specific rules for acquiring and letting go the stocks, including price standards for releasing grain. I think farmers are wise enough to see that they suffer from wild ups and downs in prices, the same as consumers do.

The improvements in farming technology in the last few decades, including the improvement of varieties of wheat and rice for South Asia (the "green revolution"), take some of the hazards out of grain production. The development of more new lands for wheat in the Soviet Union, announced by Chairman Leonid Brezhnev the other day, also adds to the grain production potential of the world and reduces the risk of famine.

However, I should like to stress that weather is still the biggest factor in the variability of food production. Unless the major grain producing and consuming nations can develop adequate reserve carrying policies, the world will again face, periodically, severe deficits in supplies, with soaring prices and hunger.

Both the U.S. and Russia should develop better reserve policies. Adding new land will not solve the Russian problem, and taking off the acreage controls here does not solve ours.

The legislation proposed by Senator Humphrey and others is certainly the right direction to take. My own hunch is that the target figures for reserves are too low—600 million bushels of wheat and about 1.5 billion bushels of feed grains are small figures by comparison with the stocks accumulated in past years from price support programs. I believe larger stockpiles will prove advantageous in the future.

Mr. HUMPHREY. Mr. President, very useful and important testimony was also provided by James McCracken, representing Church World Service, and Sandra DeMent and Robert Eisenberg, representing the National Consumers Congress.

Mr. President, I remain hopeful that both the subcommittee and the full committee will take favorable action on this legislation.

In my view, the proposed bill addresses important needs for both farmers and consumers in the United States and our export customers abroad. We need to establish a program which effectively meets those responsibilities.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, has morning business been closed?

The ACTING PRESIDENT pro tempore. Morning business has not been closed.

Is there further morning business? If not, morning business is closed.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

The ACTING PRESIDENT pro tempore. The pending business is the Mondale-Nelson amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that that amendment be temporarily laid aside for not to exceed 3 minutes and that I be permitted to offer an amendment, and I ask that the clerk state it.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further

reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 114, line 2, strike out "BUDGET" and insert in lieu thereof "CERTAIN".

On page 114, line 13, immediately after "Committees on", insert "Appropriations, Finance (or Ways and Means) or".

On page 114, line 12, immediately after "Committee on", insert "Appropriations, Finance (or Ways and Means) or".

On page 114, line 14, immediately after "Committee on", insert "Appropriations, Finance (or Ways and Means) or".

Mr. ROBERT C. BYRD. Mr. President, this amendment has been discussed with Mr. ERVIN, Mr. PERCY, and Mr. MUSKIE, the managers of the bill.

The amendment would provide that it shall be the duty and the function of the congressional office of the budget to furnish three kinds of assistance to the three committees—the Appropriations Committee, the Finance Committee, and the Budget Committee.

The Congressional Office of the Budget would have to provide to these three committees information with respect to the budget, appropriations bills, other bills authorizing or providing budget authority or tax expenditures, and with respect to revenues, receipts, estimated future revenues and receipts, and changing revenue conditions. It would also have to provide such other related information as the committees may request. Finally, the office would be directed, at the request of the committees, to assign personnel to assist the committees on a temporary basis.

The amendment would help to assure that the Congressional Office of the Budget will be responsive to the needs of the three committees most directly involved in revenue and spending matters. At the same time, pursuant to other provisions of the bill, the office will be able to assist other committees and Members, as well.

I hope that the managers of the bill will accept the amendment.

Mr. ERVIN. Mr. President, I favor the amendment, and I hope the Senate will adopt it. I think it improves the bill and makes the congressional office of the budget more helpful in achieving a practical budgetary system.

Mr. PERCY. Mr. President, by the very nature of the bill, the responsibilities of the Committee on Finance and the Committee on Appropriations would be increased tremendously. They would be given certain directions and duties and obligations as a result of this change in procedure. It is only right and proper, therefore, that they should have a professional staff available to them for that purpose. On this side of the aisle, we certainly support the amendment.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The question recurs on the amendment of the Senator from Minnesota and the Senator from Wisconsin. Who yields time?

Mr. NELSON. Mr. President, apparently the Senator from Minnesota (Mr. MONDALE) was not notified of the change in the hour. He is a cosponsor of the amendment. I ask unanimous consent that there be a quorum call not to be charged against the time on the amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the pending business be set aside, and I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The amendment will be stated.

The legislative clerk read as follows:

On page 142, line 7, after the word "new", insert the following: "or increased".

On page 143, line 13, after the word "new" insert the following: "or increased".

Mr. MUSKIE. Mr. President, this is a technical amendment dealing with that provision of the bill which provides for information on tax expenditures. The purpose of the amendment is to make clear that what is involved is not only new tax expenditures, in other words, new tax loopholes, as they are referred to, but increases in current tax expenditures. This is a technical amendment that has the approval of both sides, and I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum on the same basis.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the recognition of the Senator from Wisconsin (Mr. PROXMIRE), there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

Mr. ERVIN. Mr. President, when I stated at the outset of the discussion on the bill the names of those who had been of assistance in bringing the bill to its present state, I failed to note that Nick Bizony, a former member of the staff of the Committee on Government Operations, had been of most material assistance in the development of the bill. He has been a tireless worker for me in connection with the bill, so I wish to have this statement appear in connection with the statement I made concerning others whose assistance has been so great.

AMENDMENT NO. 1046

Mr. NELSON. Mr. President, I call up amendment No. 1046, which has been proposed by the Senator from Minnesota (Mr. MONDALE), the Senator from Kansas (Mr. DOLE), the Senator from Delaware (Mr. BIDEN), and myself.

The ACTING PRESIDENT pro tempore. That amendment is the pending question. It has already been laid before the Senate as the pending question.

Mr. NELSON. I thank the Chair.

The amendment proposes to have the Budget Committee established on a rotation basis. It provides that of the 15 Senators to be appointed, 5 shall serve for 2 years, 5 shall serve for 4 years, and 5 shall serve for 6 years; and that thereafter all the members of the committee shall serve for 6 years, and at the end of their 6 years they must leave the committee, but would be eligible to return to the committee at the expiration of another 2 years.

Under this amendment, two-thirds of the committee at all times would be experienced members of the committee with from 2 to 4 years of service. Furthermore, under the amendment, members of the committee would not have to give up membership on any one of the other categories of committees. I think we are going to run into trouble in getting experienced Senators to serve on the budget committee if it is going to require that they give up membership on one of their two major committees. In fact, I have asked nine Senators, two on the Republican side and seven on the Democratic side, and all of them responded that they would not give up either one of their major committees—category A committees—to serve on the budget committee. If that is any indication, we are going to have great difficulty in getting any experienced Senators to serve on the budget committee. That, I think, would be unfortunate.

Furthermore, I think it would be a mistake to establish a Budget Committee with permanent membership, with no rotation, for two reasons. One of them is that the Budget Committee is going to make determinations respecting the bud-

gets of all the authorizing committees. It seems to me that that responsibility ought to be spread as broadly as possible, and that by rotating membership on the committee with five new members every two years, that responsibility will be more broadly assumed by more Senators, as it should be, because budget questions and budget problems are the responsibility of every Senator.

Second, if a Budget Committee is appointed, and the caucus of either body is not satisfied with the performance of the committee, there is very little that the caucus can do about it; whereas, if there is a rotation every 2 years, with five new members on the committee every 2 years, the respective Senators in each caucus could have some voice in the nature and philosophy of the membership of the Budget Committee. So the caucuses can have some input in making a change, which they are likely to desire from time to time.

So I think it would be a much more effective and sound procedure to establish a committee in which the members are rotated and are not required to give up membership on either one of the category A committees.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. NELSON. Mr. President, how much time do the proponents of the amendment have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has 21 minutes remaining.

Mr. NELSON. I yield whatever time he desires to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I am pleased to join in offering the amendment to provide the Senate Budget Committee with a rotating membership.

The idea of having new members joining the committee at the start of every new Congress is a very healthy and refreshing concept. It means that this very important committee would not become an exclusive, rigidly structured bastion of entrenched ideas or dominated by the laws of survival in the seniority system. Rather, it would be a committee where Senators could serve long enough—6 years—to become knowledgeable in budget matters but not so long that they would become stale as the years go on. The provisions permits a Senator to return to the committee after a 2-year absence, and thus would allow those with a special interest and unique qualifications to give longer service if they chose to do so.

Because the amendment also allows a Senator to retain his other major committee assignments while serving on the budget committee, it will encourage senior as well as junior Senators to serve on it.

The practical effect of the amendment—when combined with retirements and the results of the electoral process—would be to turn over at least one-third of the Budget Committee's membership at the beginning of each new Congress. I believe such a flow of new faces, ideas, and outlooks would be highly beneficial,

and might prove to be a pattern which would bear extension to the full committee system as we gain experience with it.

Since the establishment of the Budget Committee will mark a new departure in congressional operations, it would be entirely appropriate for the Senate to try out a new concept of membership at the same time. Being new, the committee has no carryover membership or traditions, no established patterns of privilege, or individual kingdoms. We can undertake this experiment without stepping on anyone's toes or divesting anyone of his rights gained through seniority.

I believe the rotating membership would benefit the entire committee system as more and more Senators gain budget experience which they can apply to their work on other committee assignments. As this experience becomes more widespread it cannot help contributing to smoother and more effective functioning of the entire Senate committee system.

I believe this rotating membership amendment is highly appropriate and fully in keeping with the spirit of reform which is behind the budget bill. I am pleased to join in submitting it and I urge its adoption by the Senate.

I yield back the remainder of my time. Mr. NELSON. Mr. President, I yield the Senator from Minnesota whatever time he may require.

Mr. MONDALE. Mr. President, I rise in support of the amendment offered by distinguished colleague from Wisconsin (Mr. NELSON) to the pending bill.

Under the pending bill, membership on the Budget Committee would be determined—as with other standing committees of the Senate—by majority vote of party caucuses.

Our amendment would modify this procedure to provide for rotating membership on this crucial committee—with service limited to 6 years.

If the budget control procedures in the pending bill are to be successful, this committee will be among the most important in the Senate. It will have a major influence over our decisions regarding the appropriate levels of Federal expenditures and Federal revenues. It will have a strong influence over the priorities attached to the expenditure of Federal dollars.

The committee membership provision of the pending bill represents a major improvement over the original proposal of the Joint Committee on Budget Control. The committee's recommendations would have restricted two-thirds of the Budget Committee's membership to members of only two Committees—Appropriations and Finance.

And these members would be selected by their respective committees. The pending bill opens membership freely to all members of the Senate, and provides for determining membership in the regular way through vote of the party caucuses.

But this will be a powerful committee. It will have tremendous influence over the work of every other committee in the Senate. It will have a major influence over the work of every Senator and committee. And therefore I believe the sys-

tem of rotating membership which we are proposing has at least three important advantages.

First, it will allow participation by a larger number of Senators over the years in this very crucial work—and it will give every Senator who has served a perspective which I believe will make him more effective in his work on other Senate committees.

I think it is fair to say that the work of this Budget Committee will be effective to the extent that it has the respect of the Senate, and to the extent that it does not the committee will be ineffective. For that reason, I believe that a committee which is broadly drawn from the Senate and then constantly renewed by new membership and strengthened by the knowledge of those who have served on it for the requisite 6 years will be a committee which, by its very nature, will be more responsive to all Members of the Senate than one which is drawn up and whose membership sits on the committee according to the traditional rules of committee membership.

Second, it will assure a flow of fresh ideas into the Budget Committee, which I believe is found to assist it in its complicated work. Third, since all the members of the committee will be temporary, it will help to assure that the Budget Committee continues to view itself as representative of the Senate and its committees as a whole.

And fourth, changing membership on the committee will help assure that all the views are represented fairly on the committee, as opinions and viewpoints change in the Senate itself and its committees as a whole.

I believe the notion of rotating membership is uniquely applicable to the Budget Committee, because it is essentially a body designed to reconcile the competing goals and priorities established by the substantive bodies of the Senate. It is in many ways a procedural committee, not designed so much to take up work now being performed by other committees, as to see that the Senate as a whole faces the fact that actions we take on individual measures from individual committees are interrelated in ways which we have too often failed to recognize before. That is the whole idea of this committee, and the degree to which it is able to do its job depends entirely upon the respect that it enjoys in the Senate.

Since this is a procedural committee—and such an influential one—I think it is appropriate to assure that its membership will be open to as many as possible, and will continue over the years to be as representative as possible of the broad range of views that make up the Senate at any time.

Mr. President, the concepts in the pending amendment were introduced as part of amendment No. 601 to S. 1541 last October by myself and the distinguished Senator from New York (Mr. JAVITS). I believe they would represent a constructive addition to the pending bill, and I urge adoption of the amendment proposed by the distinguished Senator from Wisconsin (Mr. NELSON). I believe they are a very valuable and im-

portant contribution to the workings of this committee.

Mr. NELSON. Mr. President, I reserve the remainder of my time.

Mr. ERVIN. Mr. President, if rotating the members of the committees had been desirable, it would have been done sometime between the time the first Congress met in 1789 and the present date. However, we have had this uniform experience all during that time, and this proposal is totally out of line with that experience and with the Senate rules concerning the membership of committees.

I think that all of the rules governing membership on committees should be uniform, and not be varied for any particular committee. If this committee has rotating membership, my friends may call it a major committee, but it is going to be the most minor committee in the Senate. That is because most persons who come to the Senate go on a committee and stay on that committee. They have the aspiration of sometime being its chairman, or the chairman of an important subcommittee of that committee. If one got to be chairman of the Budget Committee, he would rotate off after 6 years. Even if he got to be chairman of a subcommittee, he would rotate off after 6 years. As a result, the committee would have virtually no prestige. This is a certain way to make it a minor committee.

Down in my county a man used to have to pay \$3 for a marriage license. A certain man went into the court house, paid his \$3, and got a marriage license to marry a woman by the name of Mary. Before he got around to using the license, he met another old flame and changed his mind. So he came back and said, "I have changed my mind. I want to marry Martha instead of Mary. Just strike out Mary's name in this license, and write Martha there."

The register of deeds, who issued the license, said, "I cannot do that; you have to get another license if you want to marry Martha."

The man asked, "Do I have to pay another \$3?"

The register of deeds said, "Yes."

The man said, "Well, I will just go ahead and marry Mary, then, because there is not \$3 difference between the two girls."

If we are going to allow a Senator to be a member of the Budget Committee for only 6 years but retain membership on other committees, I think he is going to say there is not \$3 difference between them.

The Budget Committee will be a minor committee if a man can stay on another committee and become its chairman or chairman of a subcommittee, and acquire great prestige and great experience on it, but not be allowed to rejoin on the Budget Committee for more than 6 years.

Now, some years ago, I heard Dr. Gallup make a speech in which he said we would have better government in this country if we did not allow a Senator or a Representative to be elected more than one time. He said that we would get new ideas and new blood into the picture. Someone in the audience noticed I was

there and said, "I see one of our Senators here. I should like to know what he thinks about your proposal."

I said that I disagreed with Dr. Gallup, that Dr. Gallup was a great prognosticator, but if I did not allow Dr. Gallup to prognosticate for more than 6 years, he would not be much of a prognosticator. I further said that I believed experience was the most efficient teacher of all things, even prognosticating and legislating.

I believe that applies with equal force to serving on a committee. This is a committee that demands a strong chairman, strong chairmen of subcommittees, and strong members—experienced men. Why throw away a man's experience after 6 years? Why take away the incentive to serve on this committee? If there is any committee of Congress that needs experience it will be the Budget Committee, because these men will be the men on whom the fiscal responsibility of this Nation will rest. Hence, for that reason, I respectfully submit that this amendment should be rejected.

It should be rejected in the first place because it is out of harmony with the uniform rules applying to all other committees. It should be rejected because it is out of line with the experience of Congress in the field of committee work. It should be rejected because it would convert this committee, which should be one of the major committees of the Senate like the Finance Committee and the Appropriations Committee, into a minor committee. It should be rejected because it takes and does away with the practice which has been recognized as being valid all the time the Senate has been in existence; that is, that experience is the most efficient teacher of all things. That is particularly true with respect to such important matters as setting the Federal financial house in order.

Mr. President, I now yield to the Senator from Illinois (Mr. PERCY) whatever time he may require.

Mr. PERCY. Mr. President, I find myself in complete agreement with the distinguished chairman of the Government Operations Committee, the Senator from North Carolina (Mr. ERVIN). Possibly it is because we have gone through this process now on three or four different occasions, considering amendments which have been offered in committee for the membership of the committee itself. We started out with recommendations by the joint study committee on budget control, it was the feeling that there should be a fixed number from the Finance Committee and from the Appropriations Committee. Only one-third of the committee was to be chosen at large. After a good deal of debate, we finally rejected that thought.

I would pay great tribute to the distinguished Senator from Minnesota and the distinguished Senator from Wisconsin whose thoughts were transmitted to us at that time, that this committee should be open to all and should not be the special province of any standing committee. So it was in response to that thinking that we looked around for another formula.

The Senator from Minnesota was ar-

ticulate in presenting his viewpoints. The Government Operations Committee arrived at one formula. The formula was further improved in the Committee on Rules and Administration so that there would not have to be a decision at the outset by any Member of the Senate as to whether they would give up some other standing committee and take membership on a committee whose operation and importance remained to be seen.

We have now determined, as a result of all that deliberation, that there would be this grace period so that experience could be gained; but that the committee is to be made up, like all committees of the Senate, by a vote of the caucuses of the two parties.

After all that deliberation, and for all those reasons, given on many occasions during the deliberations, regrettably, I shall vote against the pending amendment and urge that it be rejected.

Certainly I would vote against it because it would tend to make service on the committee a transitory experience. It would tend, possibly, to be looked upon as a good place for someone to get training, and this committee is no place to get on-the-job training.

As the distinguished chairman of the committee has said, we need the most experienced men because we are dealing in this particular fiscal year, 1975, with a \$304.4 billion budget. We would be weighing the priorities of where that money should go and making recommendations to the Senate for an overall spending limit as well as the targeted amounts to establish for each of the functional breakdowns.

This is where we need the great experience of Senators to be brought to bear on this problem. We would certainly not want to have the feeling, in relationships between the Senate Members and the staffs, that the men rotate out and they are going to be there only to gain the kind of experience they would gain on other committees. We may end up that this committee would be too much dominated by the permanent staff because of the rotating nature of the membership; also my concern that the committee members, knowing they would only be there for a limited period of time, would give the committee less attention. They may not really pour themselves into the job as a member of the budget committee the way they would on another committee, where they would know that they would probably be spending to good portion of their Senate careers on that committee. That would be a tragedy because every committee in a sense is fighting for priority in the time of every Member of the Senate. Naturally we gravitate toward that committee where we feel a greater sense of responsibility, duty, and obligation. I have noticed, through the period of 7 or 8 years now, that it is generally the chairman and the ranking member that is in the chair at a hearing and they have a sense of obligation and duty, and that sense of duty and obligation might simply not be there with the rotating nature of the membership.

We want this committee to have the same devotion, the same sense of re-

sponsibility that other standing committees have. I think that during the whole course of this dialog we have tried to indicate, with one exception, that the committee should be considered like all other committees.

For that reason, with all due respect to the authors of the amendment who, of themselves, have already contributed and had a great input into the final decision made by the Government Operations and Rules Committees, I should hope they would feel that input was sufficient and that this additional element of rotating membership would not contribute to it.

So I would have to vote against the amendment. Again, I thank the authors of this amendment for the contributions they have already made, a large part of which has already been accepted and incorporated into the provisions of the bill from their basic thinking.

Mr. NELSON. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. BURDICK). The proponents have 15 minutes remaining.

Mr. NELSON. Mr. President, there is no question that there is substantial merit to the position taken by the committee which was just spelled out in some detail by the Senator from Illinois and the Senator from North Carolina. There are good arguments on both sides.

As a matter of fact, there are Members who believe that, in fact, we ought to have only one committee assignment, one major committee, and proposals will be made to that effect. But I think that at least we ought to be clear about the nature of this committee.

I do not think it is valid to compare this committee with another committee of the Senate, such as Finance or Appropriations or Labor and Public Welfare or Commerce or Foreign Relations or Armed Services, because it is not the same. This is, in fact, a supercommittee. It will be dealing with appropriations that have been authorized by every authorizing committee of the Senate, and it will be establishing policy of great consequence, determined by what it decides to do respecting the authorizations and appropriations of all the authorizing committees. So it is quite a different kind of animal.

If this committee should become totally unrepresentative of the Senate, as from time to time committees of the Senate have, then we would have a committee which would be dealing with all authorizing committees, and it would have a much greater significance than if a single committee of the Senate should become unrepresentative.

I believe most people would say that as of a few years back—not very far back, either—if one counted the votes in the Senate versus the votes in, say, the Finance Committee, the Finance Committee was much more conservative than the Senate as a whole. But it would be quite another matter if this supercommittee were to be unrepresentative of the viewpoints of the Senate as a whole.

We may have to revise the statute, based upon experience. If, by rotating and allowing the members of the Budget

Committee to retain their major committee assignments, we found that it did not work, we would have to modify it. But I think that is the place we ought to start.

As I mentioned earlier, of nine Members, by my recollection—I said two of them on the Republican side, but it was three on the Republican side, and six on the Democratic side—not one would give up a major committee to serve on the Budget Committee. If we start out this way, we may have a very serious situation. Not all of the nine were senior Members. Some had been here 4 or 5 years, some 10 years, and some 15, 16, or 18 years. So I think we ought to spread this responsibility around and be sure that we have a mix of representation of the Senate, that represents the general view of the Senate, with an opportunity to change that representation by one-third every 2 years, in any event.

One more point: The distinguished Senator from North Carolina made the point that if this were a committee with a rotating membership, because of the transitory nature of service on the committee, it would not have prestige. I submit that neither this committee nor any other office gets its prestige from the length of time an individual serves in it. Prestige to an office or prestige to a committee comes from two sources: the authority, or power, of the office, the authority, or power, of the committee, and the manner in which the members of the committee or the holders of the office exercise that power.

Surely, nobody would suggest that the office of the President of the United States is a weak office because it is transitory and the President cannot serve more than 8 years. That is not what makes the office significant. What makes it powerful is the constitutional authority that office has. It will have prestige in accordance with the authority of the office and the manner in which the holder exercises that authority. So the fact that the term of the holder of the office is temporarily extended to not more than 6 years does not determine the prestige or the authority of that office.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes and a small plus.

Mr. NELSON. I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I should like to propound a unanimous-consent request.

I ask unanimous consent that after the distinguished Senator from Maine (Mr. MUSKIE) and the distinguished Senator from Montana (Mr. METCALF) have had an opportunity to discuss the pending measure for 5 minutes, which will be yielded out of the time of the opponents of the amendment, the pending amendment then be set aside until 11 a.m. today; that we then proceed, when this amendment is set aside, to a discussion of the amendment by Mr. Roth; that we stay on that amendment until 11 o'clock, at which time we go back to the Nelson-Mondale amendment, with whatever time remains on that amendment, so that Senators who come into the

Chamber for the vote will be apprised of the nature of the Nelson amendment; that we then vote on that amendment, following which the Senate resume consideration of the amendment by Mr. Roth.

Mr. ERVIN. Mr. President, I have no objection, except that I have consulted with the distinguished Senator from Illinois, and we may call up a little technical amendment after the colloquy.

Mr. NELSON. Do I understand correctly that the vote on the pending amendment would occur—at what time?

Mr. ROBERT C. BYRD. Following the consumption of the remaining time, which again will begin running at 11 a.m.—the remaining time after the Senator from Montana and the Senator from Maine have consumed their 5 minutes.

Mr. NELSON. How much time does each side have remaining?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time I have consumed not be charged against either side.

The PRESIDING OFFICER. Is there objection?

Mr. NELSON. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. NELSON. How much time remains on the other side?

The PRESIDING OFFICER. On the amendment, 17 minutes remain on the other side.

Mr. NELSON. I have no objection.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. DOLE. I ask for the yeas and nays on the Nelson amendment.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. ROTH. When we return to my amendment at 11 o'clock, at the completion of the vote, would the time that remains on my amendment, which is an hour under the unanimous-consent agreement, continue from that point?

Mr. ROBERT C. BYRD. It would still remain.

After the colloquy between Mr. METCALF and Mr. MUSKIE, we would then go to the amendment of the Senator from Delaware. We would stay on that amendment until 11 a.m., at which time we would resume the debate on the Nelson-Mondale amendment. They would have 7 minutes remaining. Mr. PERCY and Mr. ERVIN would have 12 minutes remaining, after the 5 minutes used in the colloquy. At the conclusion of that time, the Senate would then vote on the Nelson-Mondale amendment. After the vote, the Senate would resume debate on Mr. ROTH's amendment, with the remaining time still under his control and the control of his opponents.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. METCALF. Mr. President, I believe that under the agreement, I am recognized for 5 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. METCALF. Mr. President, I have asked for this time to enter into a colloquy with the Senator from Maine.

If I may, let me give just a little background. The Senator from Illinois has described how this amendment for limited terms was considered both in subcommittee and in full committee. I recall when the Senator from Minnesota came over and testified on this proposal very persuasively, very eloquently. It was so persuasive that the Senator from Maine offered the proposal in subcommittee and I offered it in full committee—or one very similar to it.

However, subsequently I testified before the Committee on Rules and Administration and suggested that the most important thing in this bill was to be sure that this committee was a prestigious committee of the highest category.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excerpt from my testimony before the Committee on Rules and Administration.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Equally critical—if we are to significantly improve our handling of budgetary decisions—is the method of selection and composition of the Committee on the Budget. No other aspect of this budgetary control legislation received more careful committee review. I am sure we considered every realistic alternative—including the possibility of having no such committee—before deciding on the provisions for this important new committee that are contained in S. 1541.

For example, we considered and rejected language limiting Budget Committee members to 6 years' service, a limitation I favored, to insure that the committee—which has responsibilities affecting all other committees—would remain representative, reflecting the diversity of interests, geographical areas, and seniority groups in the Senate.

As you know, H.R. 7130, the House bill, includes such a provision limiting service on the House Budget Committee to two Congresses in any 10-year period.

The House measure also allots 10 seats on the 23-member Budget Committee to the Appropriations and Ways and Means Committees, with these financial committee representatives to be selected, also by the caucuses, "at large," and 2 seats will go to members of the majority and minority party leadership.

Provision in S. 1541 for a 15-member Senate Budget Committee, selected in the usual manner—and classified as a "major" but not "exclusive" committee—is a compromise approach. As was the case where proposals for limiting terms of service were concerned, we considered and rejected various formulas for allotment of seats to the financial committees. However, it was—and is—our expectation that, in the normal course of events, the respective party caucuses will select Senators whose experience on these committees equips them to contribute the kind of expertise that the Budget Committee must have if it is to function properly.

Let me emphasize this point: Classification of the Budget Committee with the major standing committees in paragraph 2 of rule 25 of the Standing Rules of the Senate is essential.

I strongly support retention of this status for the Budget Committee, with full applicability of paragraph 6 of rule 25.

In accordance with the rule, Senators selected to serve on the Budget Committee can serve on only one other of the "major" committees named in paragraph 2. This does not preclude Appropriations and Finance Committee members from serving on the Budget Committee. However, it does mean that a member of either committee, if he desired to continue on Appropriations or Finance, would have to relinquish any other paragraph 2 committee he might be on in order to serve on the Budget Committee. The same principle applies where other paragraph 2 committees are concerned.

Mr. Chairman, any amendment that would permanently waive application of paragraph 6 to the Budget Committee—and I am almost certain that there will be some sentiment for such an amendment—will seriously diminish the effectiveness of this committee.

Surely, the time of most Senators is too heavily committed now. Simply adding on another committee responsibility would spread the time and attention of the Senators selected to serve even more thinly.

The problem of meeting conflicts—and the already grave difficulty of getting members together for a quorum on some committees—would be exacerbated.

The unique character and functions of the Budget Committee cannot help but demand the continuing attention and interest of individual Senators serving on it. Will Senators already discharging important responsibilities—holding subcommittee chairmanships, for example—on two other major committees have the time or energy to devote to a new "add-on" Budget Committee? In most instances, the answer is "No"—and, whatever the skill and dedication of its staff, the prospects for effective performance by this committee would suffer accordingly.

I recognize the difficulties in applying paragraph 6; adjustments will be required in the size of some standing committees, because 15 Senators going on the Budget Committee will be leaving one of their major committee assignments. And for the Senator presently serving on two major committees in which he has an important State interest or in which he has attained considerable seniority, the choice could well be a painful one to make.

Nevertheless, there are compelling reasons for forcing such hard choices. Surely, as the time and other pressures continue to increase for the individual Senator, we ought to be distributing the workload—and important responsibility—more widely throughout the Senate.

We must insure that the Budget Committee includes the less senior Senators who are not now fully preoccupied with myriad other committee duties and who can therefore devote the necessary attention to its important functions. I believe that application of paragraph 6 will contribute toward this objective.

Mr. METCALF. After its deliberations, the Rules and Administration Committee provided for a temporary suspension of paragraph 6, and it was my feeling that this was a better solution than anything that had been developed in the Committee on Government Operations.

Then, yesterday the amendment of the Senator from Massachusetts (Mr. KENNEDY) modified the Rules and Administration Committees language so that the suspension of paragraph 6 will only last until January 1977. I certainly approve that modification and I feel that was a service to the bill.

But to make sure the provisions of the Legislative Reorganization Act are carried out after January 1977, I have asked

for this time to discuss with the Senator from Maine what happens as a result of the Kennedy amendment and the action of the Rules Committee.

I expect that the temporary suspension of paragraph 6 of rule 25 is to provide for an orderly transition so that Senators initially serving on the Budget Committee will have until January 1977 to decide whether they will relinquish one of their other Class A standing committees or remain on the Budget Committee. Is that correct?

Mr. MUSKIE. The Senator is correct.

Mr. METCALF. It is clearly the intent of this temporary suspension that those serving on the Budget Committee will have to choose at the beginning of the 95th Congress. Do we have any assurance that suspension of paragraph 6 will not be extended at that time?

Mr. MUSKIE. Of course, the Senate at any time could change the rule. That is the prerogative of the Senate. But I expect that once this formula is approved by the Senate as a whole, it will hold.

Mr. METCALF. But is it not the contemplation of the floor managers, after agreeing to the amendment of the Senator from Massachusetts, that there will be an extension after 1977?

Mr. MUSKIE. Not at all. May I add a few observations at this point?

Mr. METCALF. I will appreciate any remarks that the Senator may make, to make certain the record is clear on this point.

Mr. MUSKIE. The Senator from Montana and I have both at separate times supported the concept of the Nelson amendment. I think our support of that amendment sprang from the original proposal of the joint study committee.

The joint study committee provided for a budget committee for each house with a percentage of members required to be drawn from the appropriations and tax-writing committees. In addition, there were special rules as to the chairmanship.

We felt that such limitations as to composition of members and chairmanship could result in an imbalance of representation of Congressional views as to the budget and as to spending practices, and that what we were doing was establishing a committee which in some ways would impinge upon the jurisdiction and prerogatives of each committee, and the authorization committee as well.

So, we concluded that every Member of the Senate should be eligible for membership on the Budget Committee. It was for that reason that the proposal now advanced by the Senator from Wisconsin had the support of the Senator from Maine in subcommittee and the Senator from Montana in full committee.

One drawback of that proposal from the beginning seemed to me to be a constant changing of the membership of the Budget Committee, a constantly changing membership of the committee so that members of the committee would not develop the kind of background, experience, and expertise that members of standing committees customarily de-

velop in connection with their responsibilities.

So with the changes that have been made, I expect, with the Senator from Montana, that the 1977 date will hold. At that point those who are members of the Budget Committee would make the decision whether or not to stay on that committee and give up another class A committee or the alternative.

Mr. METCALF. I thank the Senator from Maine. I think that makes clear the point I was trying to nail down: That it was not contemplated by this temporary suspension that we set aside the provisions of the Legislative Reorganization Act of 1970, nor curtail the prestigious nature of this committee by making it a third committee or a committee with less stature than the other class A standing committees.

Mr. MUSKIE. That is right. It is our purpose that the eligibility for service on this committee be extended to all Members of the Senate, and by making it a class A committee we insure that those Senators who already have established positions do not simply accumulate this new responsibility in addition. That may be one of the purposes of the Nelson amendment, and I think it is well served by the present status of the bill.

Mr. METCALF. I thank the Senator from Maine for the contribution he has made.

Mr. CRANSTON. I would like to ask the distinguished Senator from Maine (Mr. MUSKIE) about a provision of the committee report on page 7 where it states that the party caucuses shall select the membership of this Budget Committee in a similar manner to their roles for general selection of committees. Is it the intention of the managers of this proposal to give the party caucuses more than a passive role in determining the membership of this important committee?

Mr. MUSKIE. As the distinguished Senator knows, the Senate rules provide no specific authority for party caucuses, but in effect the majority and minority members of committees are determined by the respective caucuses and comity is provided so as not to disturb the recommendations of the respective caucuses.

The committee report on this bill recognizes the role of the caucus in an explicit way. The party caucus represents in each new Congress the current and prevailing attitude of each party toward the many issues to come before the Senate should reflect as closely as possible membership of each committee of the Senate should reflect as closely as possible the prevailing view of the respective caucus. Only in that way can the creatures of the Senate as a whole—the committee of the Senate—have their recommendations be consistent with the prevailing attitudes of the Senate.

The committee report encourages the practice that has existed with respect to the caucus in the committee selection and indeed encourages a more active role on the part of each caucus. By explicitly mentioning a role for each caucus, there need be no hesitancy for each caucus to play in active role in these determinations. The efficiency and effectiveness of

the Senate committee, and the Senate, as a whole, will be enhanced with this added dimension of each party caucus.

Mr. ERVIN. Mr. President, the distinguished Senator from Delaware (Mr. ROTH) has kindly consented that I might present a very minor amendment at this time, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. Without objection, the amendment is in order.

The amendment will be stated.

The assistant legislative clerk read as follows:

On page 184, lines 22 and 23, strike the words "as a Representative of Congress".

Mr. ERVIN. Mr. President, on Tuesday I presented a number of technical amendments which had been prepared by legislative counsel, and this amendment was the last of those amendments. But in some way the Xerox machine did not copy this amendment, and the Record does not show that it was a part of the amendment adopted. This is just to clear up that inadvertence.

This amendment merely strikes out words that the Comptroller General shall sue under the act "as a Representative of Congress." It was thought that these words should be deleted for two reasons. In the first place, they could be interpreted to imply that Congressmen might not have authority to bring suit as individual Congressmen. This bill is not intended to deny anybody the right to bring suit, except the Comptroller General. In the second place, it was thought that they might be construed to exclude express authority for the Comptroller General to sue in his own right for the purposes of title X of this act. The sole purpose of the amendment is to clarify the intent of title X.

The PRESIDING OFFICER. Do both sides yield back their time?

Mr. ERVIN. I yield back my time.

Mr. PERCY. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROTH. Mr. President, I rise today to call up my Amendment No. 1055 to the pending bill, S. 1541.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 119, in the matter preceding line 1, strike out "September 25" and insert "September 22", and before the line beginning "October 1" insert the following:

"September 25.—Congress completes action on bill to effectuate new budget authority."

On page 122, strike out lines 5 through 14. On page 122, line 15, strike out "(2)" and insert "(1)".

On page 122, line 21, strike out "(3)" and insert "(2)".

On page 122, line 15, strike out "(2)" and insert "(3)".

On page 131, line 20, before "At" insert "(a) PERMISSIBLE REVISIONS.—".

On page 131, after line 25, insert the following:

"(b) TWO-THIRDS VOTE REQUIRED IN CERTAIN CASES.—If, at the time a vote is taken in either the Senate or the House of Representatives on agreeing to a concurrent reso-

lution on the budget which revises or reaffirms the concurrent resolution on the budget most recently agreed to (including a concurrent resolution on the budget required to be reported under section 310(a)), the appropriate level of new total budget authority or total budget outlays contained in such concurrent resolution is higher than the appropriate level of total new budget authority or total budget outlays set forth in the most recently adopted concurrent resolution on the budget for such fiscal year, then such concurrent resolution may be agreed to in that House only by a vote of two-thirds of the Members voting, a quorum being present."

On page 143, line 2, before "In" insert "(a) ACTION BEFORE BEGINNING OF FISCAL YEAR.—".

On page 143, line 14, strike out "and".

On page 143, line 18, strike out "25" and insert "22", and strike out the period and insert "; and".

On page 143, after line 18, insert the following:

"(3) not later than September 25 preceding the beginning of a fiscal year, the Congress shall complete action on a bill required to be reported under section 310(e).

"(b) REQUIRED PROVISION IN NEW BUDGET AUTHORITY LEGISLATION.—Every bill or resolution providing new budget authority for a fiscal year (other than supplemental, deficiency, and continuing appropriations bills and resolutions) shall contain a provision that the new budget authority provided in such bill or resolution shall not become effective until a bill required to be reported under section 310(e) for such fiscal year has been enacted into law.

"(c) LEGISLATION FAILING TO COMPLY SUBJECT TO POINT OF ORDER.—It shall not be in order in either House to consider any bill or resolution providing new budget authority (or any conference report on any such bill or resolution) which fails to comply with the provisions of subsection (b)."

On page 146, line 10, strike out "25" and insert "22".

On page 146, after line 11, insert the following:

"(e) BILL TO EFFECTUATE NEW BUDGET AUTHORITY.—

"(1) REQUIRED REPORTING OF BILL.—The Committee on the Budget of each House shall, after a concurrent resolution on the budget for a fiscal year reported under subsection (a) has been agreed to, and, if a reconciliation for such fiscal year is required to be reported under subsection (c), the Congress has completed action on such bill, immediately report to its House a bill providing that the new budget authority for such fiscal year in bills and resolutions previously enacted (as changed by such reconsideration bill) shall become effective.

"(2) ACTION REQUIRED BY SEPTEMBER 25.—Congress shall complete action on a bill required to be reported under paragraph (1) not later than September 25 immediately preceding the beginning of the fiscal year commencing October 1.

"(3) TWO-THIRDS VOTE REQUIRED IN CERTAIN CASES.—If—

"(A) a reconciliation bill is required to be reported under subsection (c) for a fiscal year, and

"(B) the total budget outlays for such fiscal year under available budget authority (as changed by such reconciliation bill), reduced by the amount of increase in revenues for such fiscal year provided by such reconciliation bill, is greater than the appropriate level of total budget outlays set forth in the concurrent resolution on the budget agreed to pursuant to this section,

the bill required to be reported in each House under paragraph (1) may be agreed to by that House only by a vote of two-thirds of the Members voting, a quorum being present."

On page 146, line 12, strike out "(e)" and insert "(f)".

On page 146, line 19, before the period insert "and to the consideration of bills reported under subsection (e) and conference reports thereon".

On page 146, line 20, strike out "reconciliation".

On page 146, line 21, after "(e)" insert "or (e)".

On page 147, line 3, strike out "(f)" and insert "(g)".

On page 147, strike out lines 12 through 17, and insert the following: "unless the Congress has completed action on a bill required to be reported under subsection (e) for the fiscal year beginning on October 1 of such year".

On page 147, line 18, strike out "(g)" and insert "(h)".

On page 147, line 24, beginning with "all", strike out all through "bill" on line 3, page 148, and insert "a bill required to be reported under section 310(e) for a fiscal year".

On page 181, strike out lines 10 through 13.

On page 181, line 14, strike out "(c)" and insert "(b)".

Mr. ROTH. Mr. President, this amendment is a straightforward attempt to put some teeth back into this legislation, after a long and hotly debated path through several congressional committees, amounting to literally thousands of man- and woman-hours of work.

In short, it would require Congress to make some deliberately difficult choices should it want to exceed the spending levels approved in the first budget resolution. It makes firm the spending limits in the first concurrent resolution unless the Congress determines at a later date to increase it by a two-thirds majority. This two-thirds requirement will make the debate more meaningful than the original concurrent resolution. My amendment reintroduces the mechanism of a spending trigger, adopted by the full Government Operations Committee. But, it stipulates that if Congress has exceeded the spending limits set in the most recent concurrent resolution, it cannot adopt the necessary trigger bill unless two-thirds of the Members agree. If Congress had heeded their earlier resolution or if the Congress has provided for additional revenues to offset the added expenditures then the trigger bill could pass on a simple majority. My amendment would permit the House or Senate to resolve their differences over the upcoming year's budget by forcing a meaningful debate over the total impact of our decisions.

It uses the present version of the bill as a foundation, sticking to the principles of new committee structures, a congressional budget office, revised fiscal year and a set timetable for the Congress to move through its annual consideration of bills. It permits Congress to express its feelings several times, if necessary, but it holds new spending in escrow. And, it permits Congress to adjust individual spending bills—up or down—and to call for tax increases should the debate over annual surpluses or deficits conclude that Congress would prefer to trim back its prior decisions or fund spending through additional taxes.

It is not an easy approach to the problem. It is not meant to be. It would put Congress' feet squarely in the fire, but I am one Member who feels that we, as an

institution, need this somewhat painful discipline, or we will never really achieve the goal this legislation seeks.

JOINT STUDY COMMITTEE

I must begin my argument today by reminding my Senate colleagues that it has been a little more than a year since the Joint Study Committee submitted its preliminary ideas to Congress on the need for a more disciplined system of budgetary controls. In a sense, that charge was really a misnomer, for what Congress needs first is a system—we cannot improve what we do not possess.

I was deeply privileged to be asked to serve on that Joint Committee, for I felt I could help represent a growing faction in the Congress which has nearly given up faith in our ability to take a more business-like approach to the taxpayers' revenues. During our first meetings we heard from several expert witnesses who brought us the same critique, despite their obviously divergent political and professional backgrounds. That message was abundantly clear—if Congress truly wanted major structural and procedural reform, it would have to suffer some initial growing pains as it became accustomed to the new regimen.

The Joint Committee, by its very nature, could hardly be dubbed a partisan panel. It was led by two highly respected members of the majority party—Representatives ULLMAN and WHITTEN—and was composed largely of the most knowledgeable and experienced Members who write our tax bills and pass on annual appropriations. With this wide representation, it is most significant that the committee's April 1973 report received the unanimous endorsement of those present to vote it out. It was a welcome and somewhat miraculous demonstration of congressional unity, given the substance and sweep of the Joint Committee's recommendations. The announcement hit the press and suddenly the financial and political communities began to have an inkling that Congress really did intend to mend its ways.

The essence of that proposal was a new budget resolution to be introduced and debated in each House, and when reconciled, would become the working blueprint for Congress during the following months. The legislation further called for a rule of consistency which, in simple terms, would require that each vote on a spending bill would have to be reconciled with previous actions. So, for example, if Congress was serious about curtailing military expenditures, it could not fund new programs without cutting back existing appropriations for other, less essential, activities. The arithmetic looked to be a bit cumbersome but the message was all too clear—if reform was to come, Congress could not continue up the blind alley to fiscal catastrophe. Where economic, social, or political events demanded new Federal approaches to problem solving, the outmoded methods of yesterday, and their budget dollars, would have to give way to superceding rather than duplicating programs.

Let me stress here that members of that panel were fully aware of the orga-

nizational prerogatives and seniority benefits which they sought to change. Who could know better the advantages of tenure than men whose congressional service has elevated them to positions of committee chairmen and ranking minority? This was no effort by freshmen to change the system for their benefit. It was a panel of mostly senior Senators and Congressmen who recognized that the status quo could only nurture further imbalances in the annual budget. So, despite their positions as influential architects of Federal programs, they were willing to accept the need for some individual sacrifice in order to achieve a collective benefit, not only for the Congress, but much more importantly, for the country as a whole.

To summarize the committee's major point, let me quote from its report:

There should be a mechanism for Congress to (a) determine the proper level of expenditures for the coming fiscal year after full consideration of the fiscal, economic, monetary, and other facts involved,

(b) provide an overall ceiling on expenditures and budget authority for each year, and

(c) determine the aggregate revenue and debt levels which appropriately should be associated with the expenditure and budget authority limits.

But, the limitations referred to above should be provided *only* if Congress also makes provision for a system whereby it can make the decisions on budget priorities that will guide it as to where reductions are to be made in the event that this becomes necessary.

THE QUESTION OF PRIORITIES

Mr. President, that language from the Joint Study Committee's report really spotlights what is at issue in the controversy over a reform which may become more cosmetic than comprehensive. The real question we must ask ourselves is whether or not Congress is capable of making choices between competing programs.

It is no secret that our system of government helps prompt the Congress toward making promises that may be socially desirable in the abstract, but that are financially impossible when measured against all the other claims on the Federal Treasury.

The late Senator Harry Byrd, Sr., who served with great distinction for many years in this body, once propounded that—

In politics, one tries to please everybody, and votes can be lost by courage. Our Senate and House of Representatives hold some men who never in their legislative lives have cast one vote for economy. They have built public careers on spending and more spending. To displease a group by cutting an appropriation is to these men a torture like being dragged through a keyhole.¹

That profound observation holds more truth today than it did 25 years ago when the public debt was \$252 billion, a little more than half its present level, and the deficit was a scant \$1.8 billion. The institution then suffered from the same conflict between the congressional

¹ "Is Bankruptcy Our Goal?" *Country Gentlemen*, Sept. 1949, p. 91.

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desire to spend and the simultaneous reluctance to tax.

Mr. President, let me call to my colleague's attention the grim facts of our past spending excesses. The red ink is

spread all over table 1 of the Budget in Brief, for fiscal year 1975. For those who may have it on their desks, this chart appears on page 46.

I ask unanimous consent at this time

to have a copy of that chart included in the Record at this point.

There being no objection, the chart was ordered to be printed in the Record, as follows:

TABLE 1.—BUDGET RECEIPTS, OUTLAYS, FINANCING, AND DEBT, 1965-75

[In billions of dollars]

Description	Actual								Estimate		
	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Receipts and outlays:											
Receipts:											
Federal funds.....	90.9	101.4	111.8	114.7	143.3	143.2	133.8	148.8	161.4	185.6	202.8
Trust funds.....	29.2	33.0	42.9	44.7	52.0	59.4	66.2	73.0	92.2	105.5	115.8
Interfund transactions.....	-3.3	-3.6	-5.2	-5.8	-7.5	-8.8	-11.6	-13.2	-21.3	-21.1	-23.6
Total budget receipts.....	116.8	130.9	149.6	153.7	187.8	193.7	188.4	208.6	232.2	270.0	295.0
Outlays:											
Federal funds.....	94.8	106.5	126.8	143.1	148.8	156.3	163.7	178.0	186.4	203.7	220.6
Trust funds.....	27.0	31.7	36.7	41.5	43.3	49.1	59.4	67.1	18.4	92.1	107.4
Interfund transactions.....	-3.3	-3.6	-5.2	-5.8	-7.5	-8.8	-11.6	-13.2	-21.3	-21.1	-23.6
Total budget outlays.....	118.4	134.7	158.3	178.8	184.5	196.6	211.4	231.9	246.5	274.7	304.4
Surplus or deficit (-):											
Federal funds.....	-3.9	-5.1	-14.9	-28.4	-5.5	-13.1	-29.9	-29.1	-25.0	-18.1	-17.9
Trust funds.....	2.3	1.3	6.2	3.2	8.7	10.3	6.8	5.9	10.7	13.5	8.4
Total surplus or deficit.....	-1.6	-3.8	-8.7	-25.2	3.2	-2.8	-23.0	-23.2	-14.3	-4.7	-9.4
Budget financing:											
Net borrowing from the public or repayment of borrowing (-).....	4.1	3.1	2.8	23.1	-1.0	3.8	19.4	19.4	19.3	3.5	12.5
Other means of financing.....	-2.5	.7	5.9	2.1	-2.2	-1.0	3.6	3.8	-5.0	1.2	-3.1
Total means of financing.....	1.6	3.8	8.7	25.2	-3.2	2.8	23.0	23.2	14.3	4.7	9.4
Outstanding debt, end of year:											
Gross Federal debt.....	323.2	329.5	341.3	369.8	367.1	282.6	409.5	437.3	468.4	486.4	508.0
Held by:											
Government agencies.....	61.5	64.8	73.8	79.1	87.7	97.7	105.1	113.6	125.4	139.8	148.9
The public.....	261.6	264.7	267.5	290.6	279.5	284.9	304.3	323.8	343.0	346.5	359.0
Federal Reserve System.....	39.1	42.2	46.7	52.2	54.1	57.7	65.5	71.4	75.2		
Others.....	222.5	222.5	220.8	238.4	225.4	227.2	238.8	252.3	267.9		

Mr. ROTH. Gentlemen, look at the havoc we have wrought. In every one of the last 10 years, we have run this burgeoning Federal machine at a deficit. One hundred and seventy-three billion dollars worth, and we are headed for at least \$18 billion this coming year. Now I challenge my colleagues here to defend the notion that we have been in an economic slump every year since 1965. Even the most liberal economic interpretations of our National income accounts recognizes that good times, and bad, have been sandwiched into the last decade. And yet, our legislative response has been consistently to spend more. We are like a needle stuck in the wrong groove. The message is constantly the same.

That evidence bespeaks my incredulity. Those deficits, that have helped fuel the inflation that has eroded the purchasing power of the dollar 43 percent in the past 10 years; that lack of fiscal commonsense; that institutional willingness to forget about economic reality; that is the very reason I stand here today, berating a Congress which simply has not faced the difficulty of saying no to continued demands for funds, as appealing and politically comfortable as motherhood and apple pie.

I am convinced that the American people have factored these devastating economic scorecards into their perceptions and prejudices about the Congress. At a time when the Presidency of this country has been heavily battered as a result of the Watergate scandals, the American people have still given the institution of Congress a vote of confidence equal to only 21 percent. This is less than the

Executive, and to my knowledge, the Senate or House has not been accused of criminal acts. But, we are patently guilty of helping to bring about severe economic hardship, as the result of our indolence. We have become the wastrels rather than the watch dogs. We have both acquiesced to Presidential spending initiatives and added our own fuel to the economic fire.

Mr. President, few Members of this body would be apt to turn their heads away from a genuine economic crisis if it developed. Congressmen and Senators keep a weather eye on the unemployment figures, and we would be quick to respond to emergency needs if they developed. I do not stand here today calling for a balanced budget every year, regardless of the state of the Nation's economic health. In a genuine recession, I recognize that tax cuts and/or a quickened pace of spending can help pull a sluggish economy out of the doldrums. And, I would not hamstring the Congress from reacting to such a situation, should it develop after the year's spending program has begun.

But, the clear facts are in front of me here. Congress and the Executive have not been willing to adjust their spending habits to the peaks and valleys of the country's economic cycle. In the past decade, we have spent more every single year and have posted some of the worst deficits in times when industrial activity, employment, and the entire private business sector have been operating at or near capacity.

We have been unwilling to provide surpluses, or even budget balances in fat years, and now, we are paying the price for those excesses. We will pay three

times the amount of interest this year on our borrowings as we did in 1965. Each budget season, we must reach deeper and deeper into our operating income to provide a payout on the tremendous debt we have incurred.

But, Mr. President, a new system which provides only spending targets does not truly speak to Congress past appetite and future desires. It gives us the mistaken inner comfort that we have forsaken earlier ways and gives our constituents news of a totally revamped system, promises of reform which will be more cosmetic than comprehensive unless we take the bit in our teeth and amend this bill. Without a provision such as this, Congress will be like the leopard that has deluded itself, and its spectators, into believing it has actually changed its spots.

The mechanism envisioned earlier by the Joint Study Committee began with a formalized study of our entire fiscal posture and a subsequent debate in both Houses over the totals of income and outgo. It was to be a full-scale investigation of our existing programs and a decision whether or not to continue them unamended or to make changes to allow for new initiatives.

I might remind my colleagues that the national goals and priorities bill, sponsored jointly by Senators JAVITS and MONDALE, has twice come before this body. It has been passed once and is waiting floor consideration in this Congress after referral through two committees. That bill seeks to establish an office reporting to the Congress on the status of our Nation's progress toward achieving far-reaching social and economic

goals. That very analysis, and subsequent debate, would have been an integral part of the budget reform had this bill not been watered down in the course of its hearings and markups.

Several excellent studies recently have proved beyond doubt that each year, the President and Congress face a dwindling fiscal dividend as old promises devour more revenue each year. Our ability to work within the country's tax base has become steadily eroded by the nature and magnitude of entitlement programs, numerous program guarantees, and the absolutely staggering slice that interest takes out of the divisible pie. If we want to begin to reorder our priorities, let us face the economic and political necessity of keeping these payouts at a level we can manage, and perhaps revising some that no longer serve the people's needs as best they might.

We have become like a business enterprise that is topheavy with financial overhead. Our options become diminished as we become locked in, to the detriment of the taxpayer and to the dismay of conservatives and liberals alike, who find no room for their new initiatives because the system does not permit them.

Those who seek to change the distribution of Federal spending can only do so responsibly if Congress has a meaningful budget within which it is forced to work each year. Further, the vigor and sincerity of any budget debate will surely wane unless every Member knows that a resolution adopted today can not be easily changed tomorrow. We should recognize that the way to streamline our assistance efforts, and to replace outmoded programs with new innovations, is to clamp down the lid on the till and force Congress to decide just how politically and economically valuable many programs really are.

A LESSON OF HISTORY

For the incredulous listener, it might be useful to look at a close fiscal analogy, the public debt ceiling. Though the original act in 1917 was designed to help facilitate the mechanical process of the Government's borrowings, the later Public Debt Act in 1941 introduced some debate over the impact of a debt ceiling as a fiscal tool.

At the time of its passage, then President Roosevelt acknowledged the value of a debt limit as a "fiscal monitor," and Members from the minority argued that the debt ceiling should be used cautiously, since, in their words, "an unnecessarily large increase in the National debt limit would doubtless give rise to an unfortunate inflationary psychology, and would be conducive to further extravagance."

The point, Mr. President, is that those words have not been heeded. In the 33 years since the act was passed in 1941, the debt limit has been changed 40 times, last November being the most recent occurrence. In only 6 of those 40 occasions has the Congress actually reduced the ceiling, and even then for only short periods of time except the span between 1946 and 1954. Those who were interested in the ceiling because they believed it could be used as a fiscal brake were genuinely disappointed.

As everyone here knows, we routinely acquiesce to the financial realities when the Treasury and OMB arrive here to give us the news it is time for another increase in the ceiling. We, who are ultimately responsible for the pace and level of spending, are presented with a fait accompli. There is no use in even pretending that a simple majority will vote to keep spending in line with earlier targets if we use the debt ceiling bill as a model.

For those who would argue that Congress will respect their first budget resolution, I am prompted to quote my good friend and most distinguished colleague, the senior Senator from Utah, Mr. BENNETT. On several occasions I have shared his frustration over the sad evidence of Federal deficits. When presented with the debt ceiling facts, he has sometimes argued that debating the issue is like locking the barn door after the horses have been stolen. He tells the story of the bartender who calls to the innkeeper to ask if WALLACE BENNETT is good for a drink. The innkeeper asks if he has already had it, and the bartender answers "Yes." "Then, he is good for it," comes the answer.

THE WORTH OF DISCIPLINE

The example, it seems to me is abundantly clear. A resolution that can be changed at any time by only a simple majority in each body will have no more significance for our fiscal posture than the debt ceiling which changes so fast that the Library of Congress is kept busy updating its historical series.

Just imagine an election year when Congress resolves a target budget ceiling by June 1. As the pressure to please constituents mounts, appropriations and other spending bills are amended on the House and Senate floor, reconciled in conference, and sent to the White House. If they are signed, under this latest Senate version, they will not be allowed to go into effect until a second resolution—and possible reconciliation bill—have cleared both Houses.

Here is the crucial decision point. Will a majority in the House and Senate vote to undo what they have already done, maybe 3 or 4 months before? For purposes of illustration, will a Member who has voted for \$6 billion in education, food stamps, or pork barrel funds reverse himself to lower any one of them to \$5 billion when the final accounts are tallied? Can any of us here expect either body to retrench when constituents' hopes have been pumped up for several months, in anticipation of new or additional funds for favorite projects? Will election eve stands for special programs not produce the same kind of last minute push for extra spending we see now? In short, cannot we all look forward to the House and Senate rubberstamping their previous actions by simply refusing to rescind and adopting a new resolution consistent with the sum of their previous, separate, appropriating decisions?

If this becomes the case, what credence will Members and the American people place in that first debate over the budget resolution? If everyone knows that their vote in May or June need only be a token gesture for economy, why not vote

for a responsible spending lid. The Congress will be able to have its cake and eat it. Sacrifices will be apparent, only until the push for additional programs, considered too essential to postpone for another year. And, when the "push comes to shove" Congress will look the other way and accept the larger deficit.

Those who feel this present system contains the necessary element of discipline argue strongly for the worth of additional information provided by the Congressional Office on the Budget. New scorekeeping procedures will give the Congress an up to date analysis of their spending actions. But even the most elaborate and accurate scoreboard can not curtail the age-old political desire to please the voters. In the wake of last minute efforts to grab up the budget and/or get home to politics, sound economic arguments will offer little opposition to the wave of enthusiasm for expanded Federal participation.

Mr. President, I strongly believe that the most pressing need is for Congress to gain control over total spending and to require that its many separate spending decisions be in accord with its own ceiling. If the June 1, concurrent resolution is really only a target, it will quickly become a base from which various interests will campaign for still higher spending. It will lack effect and Members of both parties be on notice that Congress is not serious about reforming its budgetary procedures.

A ceiling which is the real focal point for congressional debate must be taken seriously. This legislation, now in its 11th formal draft, has never once strayed from the notion that we need a new concept, a new methodology, if we are going to get our hands back on the steering wheel. Unless we make the budget resolution create a pitched battle over this Nation's spending needs, we will not have done this past 15 months of work real justice. If the process is only going to assuage some guilty consciences, it is not worth the trouble or the cost.

Mr. President, I want to make it quite clear that I consider much of this legislation to be an enormous step forward. I have followed this bill through every step of its gestation, and have been pleased and privileged to have contributed to its development and learned a great deal about the complexities of our budget machinery. Earlier versions, which would have severely limited floor debate and the opportunity for Members to be heard, have given way to a series of wrap-up or reconciliation measures, designed to make earlier congressional actions consistent with the overall budget resolution.

But, as I have argued, a resolution easily changed is no resolution at all. That is why I offer this amendment today.

It would allow all spending bills to move through Congress as they do today, but would not permit them to go into effect until a triggering bill was voted upon. Congress would have to accept the total of this spending by showing itself willing to stand behind the economic necessity for its programs. If spending conforms to the last concurrent resolution,

this trigger should prove no hardship. It could pass on a simple majority. But, if the sum of congressional actions exceeds the ceiling in the first resolution and the excess is not offset by additional revenues Congress must then show the American people that the urgency is truly there by mandating the excess with a two-thirds vote.

If Congress is unable to reach such an accord, the spending will not go into effect. The reconciliation bill prescribed in this version would then become the vehicle for cuts in planned spending, additional tax increases, or both. What my language would do is simple. It would allow a majority of Congress to make the first budget resolution a meaningful and revealing debate.

It would permit Members to challenge any spending excesses above this ceiling and to force Congress to deal with their opposition. It would have the effect of making a majority of the Members pay attention to the so-called targets as they worked their way through various spending bills during the summer.

Mr. President, those who have championed a liberalized version of this new bill contend that the process, as they see it, can work. I, for one, say that legislative control over the budget must work if it is to be worth its salt. I would prefer that we get right to it, by adopting this amendment and making the language effective this year, rather than waiting for several years. If Congress is so anxious to prove itself, why not show it with actions, rather than words.

I can not in good conscience endorse this as meaningful budget reform unless it is strengthened with these provisions. Without some real constraint, Congress will have created new committees, a new staff office, and new rules of procedure, but it would not have changed the fundamental imbalance between the political pressure to spend and the economic consequences of deficit financing. If we are really serious about putting the Nation's economy back on an even track of healthy growth without serious inflation, we must be able to assure the American public, and the world, that Congress is doing its part by being a responsible leader in fiscal affairs.

Mr. PERCY. Mr. President, I yield myself such time as I may require.

In response to the distinguished Senator from Delaware, I should first like to say that his contributions to the budget legislation have been invaluable. He has participated with the distinguished chairman of the Committee on Government Operations (Mr. ERVIN) and the distinguished Senator from Tennessee (Mr. BROCK) in continuing to resist every attempt to weaken the present legislation. I trust that both of those distinguished Senators will be appointed to the conference committee, so that we may stand together to continue to get a strong budget reform bill.

I think, second, the contribution that has been made this morning in the speech we have just heard will stand us in good stead over a period of time, because the whole process will be an evolutionary one. We are going to learn from experience.

Our concern is that we might build in provisions that would be so rigid at the outset that we might find that we had defeated our purpose by such rigidity.

I address myself, first, to that particular provision in the pending amendment which would require a two-thirds vote to raise the spending limit in the reconciliation bill, and which also requires a two-thirds vote to raise the spending limit in subsequent concurrent resolutions. The U.S. Senate has invoked the cloture rule, which requires a two-thirds vote, 16 times since the adoption of the rule in 1917. No one knows better than does the distinguished chairman of the Committee on Government Operations (Mr. ERVIN) the power of the filibuster, the power of continuity, the ability of a Senator to continue to argue, persuade, and hope to almost exhaust the opposition and wear them down.

In this regard, I think it would be unfortunate to build in such rigidity that, with changing circumstances and conditions, we could not be flexible. For example, there could be a war that the majority of the Senate felt was necessary to protect the security of this country, and yet there could be a coalition of Senators that would just be against that war or virtually any war, and they could prevent the will of the Senate from being exercised in increasing appropriations and expenditures to defend the country.

I hope that is an absurd example, because I do not like to feel that we would ever have, in a time of national need, a third of the Senate that would not wish to respond to that national need, but we have to take into account conditions that could exist.

Or, in another matter that would be of deep concern to a number of Senators, if, say, we moved into a recession or a depression, or a situation such as the energy crisis, where revenue came down sharply and precipitously and we needed to adjust, I could envision that there would be a certain number of Senators who would simply say that under no conditions that they could visualize should we ever exceed that ceiling or have a budget that was not in balance, and a minority could be put together that could again frustrate the will of the majority in that particular case.

So I feel that the two-thirds requirement is very rigid, and the rigidity of it is certainly demonstrated by the fact that in all of the pieces of legislation over which we have had controversy over the years, only 16 times have we ever invoked cloture by requiring that a two-thirds vote on a particular measure be necessary to have the arguments prevail.

With respect to the triggering mechanism, as the distinguished Senator from Delaware knows, the Government Operations Committee provided for this in our measure. We felt that it was a desirable feature, and I must say that at this moment I am most influenced by the amount of give and take which we have experienced as we worked very closely indeed with the members of the Committee on Rules and Administration and the members of the staffs of not only that committee, but of all other committees that participated for a period of an

exhaustive month in trying to reconcile our differences; and, though I generally do like to cling to our original ideas and find fault with anyone who would seek to persuade us otherwise, I did become almost persuaded that the provisions that we had made in the Government operations bill could be modified and were improved by the Committee on Rules and Administration in this regard.

The Committee eliminated from S. 1541 the provision that appropriation bills must contain a clause that the new budget authority would not become effective until Congress has enacted a ceiling enforcement bill shortly before the start of the fiscal year.

As the report clearly indicates, as S. 1541 was referred to the Committee on Rules and Administration, it provided that no appropriation could become available until it was "triggered" by a later enforcement bill. The result would have been to hold the various appropriation bills hostage to Presidential action on the enforcement measure.

If the President vetoed the enforcement bill, all appropriations for the new year would be held in limbo until Congress accommodated itself to the Presidential action. In effect, a year's effort on appropriations would have hinged on a single set of determinations made in the crucial last days of the budget cycle. When Congress voted on an individual appropriation, it would not know how much money really would be available, nor would the President know this when the bill was sent to him. Everything would ride on the single enforcement measure and the likelihood of deadlock and confusion would be multiplied. Moreover, there would be an invitation to "pad" appropriations in the expectation that they would be cut in the later reconciliation, so that rather than producing fiscal discipline, the new process could weaken congressional responsibility.

The committee very wisely, however, indicated its recognition that as Congress gains experience with its new budget process, it may consider it desirable to supplement the procedures established in S. 1541 with additional enforcement methods. The substitute bill provides that the first budget resolution may require—for the fiscal year to which it applies—additional procedures such as an omnibus appropriation bill, a triggering clause in appropriation bills, or holding appropriation and spending bills at the enrolling desk until Congress has approved the second budget resolution and any required reconciliation measure. Thus, the substitute bill allows for the evolutionary development of the congressional budget process, rather than an all-at-once implementation.

So I would hope, as we gain experience, that we would see that here, on balance, we have a bill now that is strong enough so that we can resist those forces that are going to try to move the expenditure limit up above the limitation established in the first concurrent resolution, despite the fact that no evidence would cause us to believe we should change the original economic forecasts and the assumptions that we had made; and we will have

to resist those efforts. But I would be very concerned about now building in a rigidity which would cause, if it were so built in, a situation where we might even lose the support, concurrence, and enthusiasm that we now have gained through this process of education and evolution as the bill has developed among the Members of the Senate.

So, for that reason, I regretfully oppose the amendment; but once again I commend my distinguished colleague from Delaware for the outstanding contribution he has made to the bill and the outstanding contribution he continues to make by even offering this amendment and pointing out that certainly we should not by any means weaken this bill, and if anything we should continue to move in the direction of strengthening it as we gain experience with the provisions that have been outlined in S. 1541 as it now stands.

The PRESIDING OFFICER. Who yields time?

Mr. ERVIN. Mr. President, I just want to say that the Senator from Illinois has made such a fine argument against this amendment that I do not feel I can add anything to it.

I would also like to say, as he did, that the distinguished Senator from Delaware has been one of the most diligent members of the Government Operations Committee, and it would be impossible for me to overmagnify the many contributions which he has made to the work of the committee, both in respect to this particular bill and in respect to the other legislation which has come before the committee during this session of Congress.

I feel that I ought to express those thoughts because it would be impossible for any committee to have a more faithful and more diligent member than the Government Operations Committee has had in the person of the distinguished Senator from Delaware.

Mr. ROTH. Mr. President, I shall yield time in a moment to the Senator from Georgia, but I would just like to thank the distinguished chairman of the Committee on Government Operations. It has been a great pleasure to work on this legislation. As in many other areas, he has certainly provided great leadership to the committee, and I thank him for his generous remarks.

I yield the Senator from Georgia such time as he may require.

The PRESIDING OFFICER (Mr. CLARK). The Chair would remind Senators that under the previous order, at 11 o'clock the Senate will return to the consideration of the Nelson-Mondale amendment, and that is about 1 minute from now.

Mr. NUNN. Mr. President, I think I can finish my remarks in 1 minute.

I join the Senator from Illinois and the Senator from North Carolina in commending the Senator from Delaware. He and I have spent many hours in this work on the Senate Budget, Management, and Expenditures Subcommittee measure.

In working on this legislation, although it is not as tough or as disciplined as he would like or I would like, without his

presence, without his great effort, we would have a much looser bill than we have now. I commend him and I also commend him on his amendment.

I agree with some of the criticisms which have been made but I, for one, will vote for the amendment, because its virtues certainly overwhelm its disadvantages. The Senator from Delaware has made a magnificent contribution toward making this legislation meaningful and capable of providing real discipline for the first time in the budgetary process.

The PRESIDING OFFICER (Mr. CLARK). Under the previous order, the Senate will now resume consideration of amendment No. 1046.

Who yields time?

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HUGH SCOTT. I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I regret to have to oppose the amendment offered by the distinguished Senator from Minnesota (Mr. MONDALE) and the distinguished Senator from Wisconsin (Mr. NELSON), but I am opposed to it. It would limit a member from serving for more than 6 years on the new budget committee. It would prevent members from gaining the same kind of experience over a longer period of time in the areas of the committee's jurisdiction. Members would not be able to become as expert as, say, the members of the Finance and Appropriations Committees would. For instance, they would only serve for 6 years. Additionally, if they can only serve on the committee for a brief period of time and would then retain ad infinitum their membership on two other major standing committees, obviously the time of the Budget Committee members would be badly fragmented and split and they would not be able to give the budget committee the kind of time and attention, the energy and the talent, the dedication and the service that they would otherwise give if they served only on that major committee and one other major committee, as is presently the rule in the Senate.

Second, by so doing, by having a rotating committee, the stature of that committee would be greatly reduced. This legislation, once it becomes law, will be difficult to implement. So while I believe it can possibly be a workable act, it remains to be seen whether it will work. A great deal will depend on the human element in both Houses.

If this committee is looked on as just a temporary committee on which one may serve and get a little exposure and a little experience, and then shift back to another committee, it will reduce the stature of that committee. This commit-

tee needs stature. The Appropriations and the Finance Committees already have stature. We have a new committee here and it will be a vitally important committee which will need equal stature with that of the Appropriations and Finance Committees and other committees.

It will detract from the stature of that committee if it becomes a sort of rolling stone committee on which members will rotate. It would be just another committee assignment for a member—just another chore, another burden—and not one of his most important committee assignments.

Third, the amendment would preclude the development of long-term personal relations with members of the new committee and the other standing committees whose legislative work would have to be coordinated with the new budget committee.

The Finance Committee has a long history, and the Appropriations Committee has a history which goes back deep into the roots of this institution. They both have great stature. The members of these committees, because of their seniority on such committees, generally, not only have great stature within the committee structure but also within the Senate. If we are going to set up a committee now that rotates its membership, its members will be deprived of the opportunity to gain valuable experience and would not be as dedicated in their service to that committee, because of that fact, nor be able to accumulate the expertise in their field, which all members of other committees are able to gain with long and continuous service.

I am afraid that they will not then have the prestige that will enable them to act with the kind of comity that will be needed between the budget committee and the Appropriations and Finance Committees, if we are going to make this legislation work.

The members of the Appropriations and Finance and other committees may otherwise view those who will be working on the Budget Committee as just messing into the business of the Appropriations and Finance and other committees. It will damage chances of favorable implementation of this act, once it becomes law.

Finally, I do not believe we should veer away from the normal procedure governing the service on standing committees in this body.

If this is really going to be a major standing committee, then it should stand on an equal basis with all other such standing committees, and its members should understand that.

Mr. President, I trust, for these various reasons, that the Senate will not agree to the amendment of the distinguished Senators from Wisconsin and Minnesota, Mr. NELSON and Mr. MONDALE.

Mr. HUGH SCOTT. Mr. President, I should like to say that I agree with the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader.

Mr. ERVIN. Mr. President, if we have

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any time left on our side, we yield it back.

Mr. NELSON. Mr. President, how much time remains?

The PRESIDING OFFICER. Six minutes remain.

Mr. NELSON. Mr. President, unless someone else wishes to speak on behalf of the amendment, I am prepared to yield back our time.

Mr. ROTH. Mr. President, I ask unanimous consent that my aide Bruce Thompson be allowed the privilege of the floor during the vote on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment—No. 1046—of Senators NELSON and MONDALE.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Utah (Mr. MOSS), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Ohio (Mr. METZENBAUM) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Idaho (Mr. McCURE), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

I further announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. STAFFORD), and Senator from North Dakota (Mr. YOUNG) are absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 24, nays 56, as follows:

[No. 82 Leg.]

YEAS—24

Abourezk	Dole	Nelson
Bayh	Hart	Packwood
Biden	Hughes	Pastore
Brooke	Humphrey	Pell
Case	Javits	Stevens
Chiles	Mansfield	Stevenson
Church	McGovern	Tunney
Clark	Mondale	Williams

NAYS—56

Allen	Fannin	McIntyre
Baker	Fong	Metcalf
Bartlett	Goldwater	Montoya
Beall	Gravel	Muskie
Bennett	Griffin	Nunn
Bentsen	Gurney	Pearson
Bible	Hansen	Percy
Brock	Hartke	Proxmire
Buckley	Haskell	Roth
Burdick	Hathaway	Schweiker
Byrd	Helms	Scott, Hugh
Harry F., Jr.	Hollings	Scott,
Byrd, Robert C.	Hruska	William L.
Cannon	Huddleston	Sparkman
Cotton	Inouye	Stennis
Cranston	Jackson	Taft
Curtis	Magnuson	Talmadge
Domenici	Mathias	Tower
Eastland	McClellan	
Ervin	McGee	

NOT VOTING—20

Aiken	Johnston	Ribicoff
Bellmon	Kennedy	Stafford
Cook	Long	Symington
Dominick	McClure	Thurmond
Eagleton	Metzenbaum	Weicker
Fulbright	Moss	Young
Hatfield	Randolph	

So the Nelson-Mondale amendment was rejected.

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. Under the previous order the Senate will now return to the consideration of amendment No. 1055.

Who yields time?

Mr. CURTIS. Mr. President, it was my understanding that time was reserved for me to speak on the bill.

Mr. MANSFIELD. How much time does the Senator desire?

Mr. ROBERT C. BYRD. Mr. President, I think there was an understanding yesterday that the distinguished Senator from Nebraska (Mr. CURTIS) would be assured of, I believe, 15 minutes on the bill. But at this moment, operating under the unanimous consent request, the Senator from Delaware (Mr. ROTH) has an amendment before the Senate and is under controlled time. Perhaps the managers of the amendment would agree to yield some time now to the Senator from Nebraska.

Mr. CURTIS. No. I am willing to let the amendment proceed. I do wish to speak on the bill.

Mr. ROBERT C. BYRD. Yes. We have an understanding that the Senator will have 15 minutes.

Mr. CURTIS. Will that be before or after the vote?

Mr. ROBERT C. BYRD. Before the vote.

[Laughter.]

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. STENNIS. As I understand the situation now, the amendment I shall offer will follow the Roth amendment. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Delaware has nine minutes remaining. The Senator from North Carolina has 18 minutes remaining.

Mr. ROTH. Mr. President, I do not in-

tend to use all that time, but I do want to summarize why I think my amendment is so important.

I wish to remind my fellow Senators that the reason the Joint Study Committee on Budget Control was established over a year ago was due to the problem we were having with deficit spending. I wish to read the recommendations of the joint committee on which served many distinguished Members of this body, as well as Members of the House of Representatives.

In that study it was concluded that the Joint Study Committee believed that the Congress' failure to arrive at congressional budgetary decisions on an overall basis has been a contributing factor to the size of these deficits.

As a result of our not considering spending together, it pointed out, we were not determining the relative priorities of the various spending programs.

The PRESIDING OFFICER. The Senator will suspend. The Senate will be in order.

The Senator may proceed.

Mr. ROTH. My concern with the legislation in its present form is that it will not bring about meaningful debate on the overall budget. But just as in the case of the debt ceiling, the debate on the overall budget both at the beginning and at the end of the year will become an exercise in futility because people will know it can be easily overturned.

I say again, that if the Congress votes for increased spending in June, July, or August, it is not going to vote to cut back those programs in October, particularly in an election year.

Our most pressing need is the control of inflation and its cause, deficit spending. My amendment would control excess Federal spending. What I propose is a two-thirds requirement to increase Federal spending after—and I emphasize the word "after"—we establish the original concurrent resolution budget.

Under the legislation, Congress, by a majority vote, must create a Federal budget by June 1. What I propose is that if we want to increase that budget, it ought to take a two-thirds majority; otherwise we are not going to pay much attention to the original budget.

It has been said that this method is inflexible; that a one-third plus one majority could hobble the intent of Congress.

No. 1. I am not a man of such little faith that I do not believe Congress is going to do what is necessary in the event of a major catastrophe, whether it be war or depression. I think we would live, under those circumstances, up to our responsibilities. But I would also point out that if that did happen, it takes only a majority to change the rules of the Congress. So we would not be locked into a situation that cannot be changed.

What I am asking is this: That the original budget be adopted by simple majority; any future increase would have to be adopted by a two-thirds vote. I do not think it is too much to ask this Congress to stand by a decision it made on June 1 for the next 4 months. It seems to be only commonsense.

Finally, the triggering mechanism, much like that contained in the Government Operations version of the bill, can also be adopted by simple majority if it does not exceed the original budget or if it adds increased revenues through increased taxes.

These are tough measures, but they are necessary. If they are going to control inflation or if we are going to reestablish confidence in the American dollar, this Congress has to make hard decisions.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ERVIN. Mr. President, I yield such time as he may require to the distinguished Senator from Tennessee (Mr. BROCK).

Mr. BROCK. Mr. President, the Senator from Delaware is second to none in this body in his dedication to fiscal responsibility and to the economic soundness of this Nation. He carries the respect of all of us in that regard. His continuing effort with reference to this particular bill has been unique in its contribution. He is one of ability and honesty, and he is, in my opinion, usually right.

In this particular instance I support that section of the amendment which deals with the trigger clause that was in our bill, and I wish we could restore it, but there is another part of the amendment which I find it difficult to accept, and that is that section which relates to a two-thirds vote on a continuing resolution.

Mr. President, when I started to work on this legislation something over 2 years ago, one of the things we first did was to study the actions of the Congress in 1946, 1947, 1948, when a similar effort was made and a similar bill was passed only to have it fall of its own weight because that bill was so drawn as to be unacceptable or unworkable to the Members of either body.

I kept that example well before me, because I do not want to see this legislation fall again. It is too important to the people of this country. There is no way to calculate the burden on the American taxpayer of a \$304 billion budget. It is too much to bear.

It is long past time that we addressed our national priorities in a more responsible way. It is not for lack of integrity that we have not done it; it is for a lack of a structure in which to do it. This is just the first step. I think we ought to recognize that this is just the first step. The process is going to have to continue for years, but it is a revolutionary first step, and I am deeply concerned that the acceptance of this amendment would so burden the bill, the implementation of the bill, that it would follow the example of Congress in 1948 and fall of its own weight. The Members of Congress simply did not abide by it because they could not abide the restrictions imposed on them.

This Congress operates by majority vote, and if a majority of the House or Senate decided they were going to take a certain course of action, nothing in the world would defer or change them from doing just exactly that. That is the way the system works. There is nothing wrong

with that. There may be something wrong with the decision or judgment of the individual Members, but there is nothing wrong with the majority vote.

And that is the question we have before us: Are we going to inhibit that opportunity for change? Are we going to so burden the process of prioritizing our national needs in limiting our national expenditures, to establish criteria for honest budget reform, that it will not work? That is the particular concern I have at this particular moment, and despite my enormous sense of respect and admiration for the Senator from Delaware and my sharing of his objective, I hope the amendment is not accepted in this particular case.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I am opposed to the amendment.

The two principal features of the amendment are: First, to require that a trigger provision be included in all spending bills, and second, to require a two-thirds vote to increase any spending figures agreed to in the first concurrent resolution on the budget, or to approve an increase in the debt, as set in the first resolution.

The trigger proposal was embodied in an amendment by Senator NUNN. It was not agreed to because it would create a situation in which the President could, with a single veto, wipe out the whole session's work on spending bills.

A delay in completing action on a reconciliation bill would force the Congress to rely on continuing resolutions to keep the Government going, thus negating the advantage in changing to an October 1 fiscal year.

It might increase the likelihood of legislative-executive stalemate, because so much importance would be attached to a single measure, whose approval would be essential to the orderly functioning of the Government.

The required two-thirds vote to increase the spending figures set in the first resolution fails to take account of the gross inaccuracies which are characteristic of budget forecasting. As noted in the Rules Committee report—page 13—the average level of supplemental appropriations enacted over the past decade has been almost \$10 billion per year. In addition the report also indicated—on page 21—that underestimates of expenditures for nonappropriated programs—such as interest on the debt and social measure trusts—have equalled almost \$3 billion per year, over the past 5 years.

Thus, the facts of life are that we will have incomplete or inaccurate information when we adopt the first concurrent resolution. To permit one-third of the Senate to insist on the spending limits set in that resolution would deny a majority the right to "work its will." It could cause very serious disruptions in established programs, by forcing drastic reduction in so-called controllable programs when expenditures in other programs rise unexpectedly. It would subject the Congress to rigid set of procedures which are incompatible with its operating methods and with the prerogatives of a majority of the Senate.

I hope the amendment will be rejected. Mr. ROTH. Mr. President, I will take only just one or two further moments.

I recall back in 1969 when the then senior Senator from Delaware, Mr. Williams, introduced a spending limitation accompanied by an increase in taxes. I also recall very vividly how time after time that ceiling was violated as this Congress added more spending to it.

A great deal has been said that what I am proposing is inflexible. I point out that there is nothing to prevent this Congress from adopting as large a budget as it desires. All I am saying is that when we make that decision by June 1, we ought to be willing to live by it for the next 4 months; otherwise we have gone through an exercise that history shows will have very little or no impact.

Much has been said about the evolutionary development of budgetary reform, and I hope that those who anticipate major reform prove to be correct. But to me it is a tragedy that this Congress is not willing to take strong reform steps right now. This morning we see news to the effect that inflation increased this past month by more than 1 percent. I do not think any leading economist would deny that deficit spending has been a major factor in that inflation.

In any event, what I am asking is for this Congress to not only have meaningful debates on the overall budget but to know that, having adopted the national priorities, they will have to live within that budget for the following year.

Mr. President, I am willing to yield back the remainder of my time.

Mr. ERVIN. Mr. President, I am prepared to yield back the remainder of my time.

Mr. ROTER. I yield back the rest of my time.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Utah (Mr. MOSS), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM) and the Senator from West Virginia (Mr. RANDOLPH) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Idaho (Mr. McCURE), the Senator from South Carolina (Mr. THURMOND), the Senator from Connecticut (Mr. WHICKER), and the Senator from New Hampshire (Mr. CORTON) are necessarily absent.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

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I further announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from South Carolina (Mr. THURMOND) would each vote "nay."

The result was announced—yeas 23, nays 57, as follows:

[No. 83 Leg.]

YEAS—23

Baker	Dole	Nunn
Bartlett	Domenici	Proxmire
Beall	Fannin	Roth
Bennett	Griffin	Scott
Biden	Gurney	William L.
Buckley	Hansen	Taft
Byrd	Helms	Tower
Harry F., Jr.	Hruska	
Curtis	McClellan	

NAYS—57

Abourezk	Gravel	Metcalf
Allen	Hart	Mondale
Bayh	Hartke	Montoya
Bentsen	Haskell	Muskie
Bible	Hathaway	Nelson
Brook	Hollings	Packwood
Brooke	Huddleston	Pastore
Burdick	Hughes	Pearson
Byrd, Robert C.	Humphrey	Pell
Cannon	Inouye	Percy
Case	Jackson	Schweiker
Chiles	Javits	Scott, Hugh
Church	Johnston	Sparkman
Clark	Magnuson	Stennis
Cranston	Mansfield	Stevens
Eastland	Mathias	Stevenson
Ervin	McGee	Talmadge
Fong	McGovern	Tunney
Goldwater	McIntyre	Williams

NOT VOTING—20

Aiken	Hatfield	Ribicoff
Bellmon	Kennedy	Stafford
Cook	Long	Symington
Cotton	McClure	Thurmond
Dominick	Metzenbaum	Weicker
Eagleton	Moss	Young
Fulbright	Randolph	

So Mr. ROTH's amendment (No. 1055) was rejected.

Mr. MAGNUSON. Mr. President, I wish to express my support for the efforts of the senior Senator from North Carolina in his efforts to draft legislation designed to reaffirm congressional intent in the whole area that has come to be known as "impoundments."

I understand that title X of the Budget Reform Act of 1974 is intended to reaffirm and reassert the congressional intent that the President shall be prohibited from impoundments or any such activities involving the refusal to obligate to the full extent, or any action with similar effect, the appropriations provided by the Congress. This is my understanding of title X. Does the Senator believe and intend that title X should resolve this impoundment problem?

Mr. ERVIN. The Senator from Washington is correct in his statement that title X is intended to reach the problem of impoundment, reserves, and apportionments in all its forms.

The purpose of title X is to define, clarify, and thereby limit the authority under which the President and any other officer or employee of the executive branch may take any action which places appropriated funds in reserve, or has that effect for any period of time.

I would like to emphasize the intent of the committee that the word "reserve"

is to be interpreted in its broadest sense. As the Senator from Washington knows, the President and his officers have become increasingly resourceful at making new interpretations of the intent of the Antideficiency Act as well as the appropriations acts insofar as they concern administration arguments which would allow the President to legally impound funds. Fortunately, the Federal courts have recognized consistently that Congress has intended that appropriations be obligated and expended and have not allowed semantic arguments of the executive branch to frustrate such congressional intent.

In this respect, the committee intends the provisions of title X to reach all the past and future mechanisms which this President or any other Executive has devised or will devise.

We intend the language in title X to mean any action by the executive branch which would have the effect of establishing a reserve, or otherwise delaying or making unavailable for obligation or expenditure appropriations made by the Congress in a manner inconsistent with achieving the full scope, intent, and objectives of Congress in enacting that appropriation.

Mr. MAGNUSON. I fully agree and support the statement of the Senator from North Carolina, and I wish to insure that the record clearly reflects that the interpretation and purpose of the committee is the same as the entire Senate, if and when title X becomes the law of the land.

I am particularly concerned that the President or any other member of the executive branch not be allowed to adopt a narrow interpretation of the word "reserves" as it appears in title X. Is it the intent of the committee that "reserves" be interpreted to mean any action which has the effect of establishing a budgetary reserve? This would include, for example, the delaying of the obligation of appropriated funds by the impoundment of positions, which is a new variation of the impoundment theme now being proposed and contemplated in the executive branch.

One way this works is to fire or transfer the staff so as to so disorganize the grant-processing organization of a department or agency as to make it impossible to award the grants and obligate the funds before the close of the fiscal year. The net effect is the same—impoundment.

Another variation of impoundment that is being proposed by some executive agencies is called forward funding or multiple-year grant periods. One way this works is for an agency to obligate the funds in a way that spreads the expenditure over a period of years instead of the usual practice of awarding funding for 12-month grants. The net effect is that the level of funding is lowered—another devious method of impoundment.

So, I ask the distinguished Senator, is it the intent of the committee that "reserves" be interpreted to mean any action which has the same effect as establishing a budgetary reserve?

Mr. ERVIN. Yes. The phrase "In ap-

portioning any appropriation, reserves" clearly encompasses any effort or action by the executive branch which has the effect of delaying the appropriation, obligation, or expenditure of funds, or which has the effect of reducing the program level below the level contemplated by the Congress in the enactment of an appropriations bill or budget authority. Any such delay in expenditure of appropriations is, in effect, the creation of a "reserve" within the meaning of title X of the bill.

As the Senator knows, the administration proposed rescission of \$328.8 million in funds in the fiscal 1974 budget that had been appropriated by Congress for the Department of Health, Education, and Welfare and the Department of Labor. The administration apportioned the funds to the agencies, with instructions not to obligate or spend the money until Congress acted on the rescission proposals.

Since the funds were apportioned, and thus not in a "budgetary reserve," the Office of Management and Budget did not include those funds in its report on "impoundments." But the proposed rescissions were functionally identical to the withholding of funds so reported, thus delaying by many months the implementation of programs enacted and funded by Congress. The committee does not countenance such practices. The apportionment, obligation, contracting, or personnel practices of the executive branch cannot be used as a method of withholding funds. All such actions are properly characterized as having the effect of establishment of a "reserve" and fall within the mandate and directives of title X.

Mr. MAGNUSON. I thank the Senator from North Carolina for his comments. It is reassuring to know that the clear congressional intent in the word "reserve" as used in title X is to include any action by any executive branch officer which has the same effect as the establishment of a budgetary reserve of appropriated funds.

Is it correct to say that under title X, the executive branch may not take any action to delay or withhold appropriations or budget authority, whatever the method or semantic description of the method?

Mr. ERVIN. That is correct.

REFORMING THE WAY CONGRESS HANDLES THE
FEDERAL BUDGET

Mr. MATHIAS. Mr. President, it is my hope and my expectation that the Senate will pass overwhelmingly today a comprehensive bill to reform the haphazard manner in which we have, for far too long, dealt with the Federal budget. I shall vote for it with both enthusiasm and conviction. This is certainly one of the most important pieces of legislation of this Congress, and may well be of more permanent significance than anything done here for a decade.

For many years I have urged this reform. Over 16 months ago, I chaired an ad hoc series of congressional hearings on the need for this reform. Last year I introduced, together with Senator STEVENSON, a bill which contained the principal provisions of this legislation. I have

spoken about this measure to groups throughout my State of Maryland and have been encouraged by the widespread support which this action has received.

There are many serious problems facing the Congress at this time, but three of the most pressing are: First, the need for a more orderly and wiser expenditure of public moneys, and the related need for a means of considering our national priorities; second, the requirement that fiscal responsibility be maintained; and third, the question of the division of power between the executive branch and Congress.

These three problems come together in the consideration of the procedures Congress employs in passing the Federal budget. The procedure we have followed in the past may only be described as chaotic. Appropriations bills are considered seriatim, as if they were unrelated to available revenues and unrelated to the total amount of expenditures. The size of the Federal budget and the amount, or even the existence, of a surplus or deficit are almost mystical events; we find out about them only at the end of a session by totaling up the amounts we have appropriated and comparing this total to estimated revenues. As far as the Congress is concerned, the budget is not planned. Instead, like topsy, it just grows. And without planning there can be no rational congressional consideration of competing national priorities. The final budget will be fiscally sound under the present practice by good fortune rather than by good judgment. Nor can there be the reasoned balance of powers between the executive and legislative branches of our Government which was envisioned by our Founding Fathers when they entrusted the power of the purse to the Congress.

If America could in the past afford a Congress which held the purse strings taut or slack with little rhyme or reason, it clearly can do so no longer. Today the Federal budget exceeds \$300 billion. The projected budget deficit is approximately \$10 billion. Inflation is soaring at a rate of almost 10 percent a year. Unemployment is increasing. And international confidence in fundamental economic traditions is questioned.

The bill before us gives us the tools we need to meet these challenges—to bring prices down, to end budget deficits, to increase employment, to restore confidence. In short, this bill permits us to know what we are doing, and to anticipate the consequences of our acts. It will remain for us, of course, to demonstrate that we have the will to wisely use these tools.

Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve Board, has told me that in his opinion this bill will do more to control inflation than any other single action that Congress could take. Economists, businessmen, consumer representatives, and international diplomats and financiers have expressed similar views. This bill will be a large deposit in the bank of confidence in America and in our political and economic institutions.

The bill before us is long and complex. In brief, however, it will accomplish the following:

First. Create a new committee on the budget to oversee general congressional budgetary matters.

Second. Establish a congressional office of the budget to provide the Congress, its committees, and its Members with the information, expertise, and resources to understand and control the budget.

Third. Require the Congress to establish firm ceilings on all expenditures, and to respect those ceilings throughout the entire session of the Congress, accounting for every penny of receipts and expenditures at the end of the Congress.

Fourth. Establish a new timetable of congressional and Executive action which would insure that appropriation bills would be passed before the new fiscal year begins; too often now, agencies do not receive a new budget until the budget year is more than half over.

Fifth. Increase the oversight role of the Appropriations Committee. As a member of the Appropriations Committee, I have been pleased that we were able to reduce the appropriations requested by the executive branch by a net total of more than \$3 billion last year; this bill will help us continue such fiscal commonsense.

These are the highlights of a complex and lengthy bill—a bill of extreme importance. I congratulate the committee members and staff who have labored so hard to refine each provision of the bill. I believe Americans will be pleased with the results of their effort. I am thankful that this long overdue reform is about to be taken. I believe that we are taking a giant step toward restoring the Congress to the coequal status the Founding Fathers intended for it, permitting us to again fully meet the responsibilities imposed on us by the Constitution and to merit the full faith of the American people in the legislative branch and in their Nation's economic well-being.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the text of the bill (H.R. 13025) to increase the period during which benefits may be paid under title XVI of the Social Security Act on the basis of presumptive disability to certain individuals who received aid, on the basis of disability, for December 1973, under a State plan approved under title XIV or XVI of that act, with an amendment, in which it requested the concurrence of the Senate; and that the House had agreed to the amendment of the Senate to the title of the bill.

The message also announced that the House had passed a bill (H.R. 12920) to authorize additional appropriations to carry out the Peace Corps Act, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 12920) to authorize additional appropriations to carry out the

Peace Corps Act, and for other purposes, was read twice by its title and referred to the Committee on Foreign Relations.

CONGRESSIONAL BUDGET ACT OF 1974

The Senate continued with the consideration of the bill (S. 1541) to provide for the reform of congressional procedures with respect to the enactment of fiscal measures; to provide ceilings on Federal expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget, and for other purposes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi. Mr. STENNIS. Mr. President, I call up an amendment which I have at the desk. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

The amendment will be stated.

The assistant legislative clerk read as follows:

Viz: On page 184, between lines 4 and 5, insert the following:

PAY RATES OF CERTAIN SENATE EMPLOYEES

Sec. 906. (a) The Secretary of the Senate, the Sergeant at Arms of the Senate, and the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of \$39,615. The Secretary for the Majority (other than the incumbent holding office on March 15, 1974) and the Secretary for the Minority shall each be paid at an annual rate of compensation of \$39,330. The four Senior Counsel in the Office of the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of \$38,475.

(b) The Secretary for the Majority (as long as that position is occupied by such incumbent) may be paid at a maximum annual rate of compensation not to exceed \$39,330. The Assistant Secretary of the Senate, the Parliamentarian, the Financial Clerk and the Chief Reporter of Debates of the Senate may each be paid at a maximum annual rate of compensation not to exceed \$38,475. The Administrative Assistant in the Office of the Majority Leader and the Administrative Assistant in the Office of the Minority Leader may each be paid at a maximum annual rate of compensation not to exceed \$37,905. The Administrative Assistant in the Office of the Majority Whip and the Administrative Assistant in the Office of the Minority Whip may each be paid at a maximum annual rate not to exceed \$36,765.

(c) An individual occupying a position on a committee of the Senate to which the highest rate of annual compensation may be paid under section 105(e) of the Legislative Branch Appropriation Act, 1968, as amended and modified, may be paid at an annual rate not to exceed \$37,905.

(d) An individual occupying a position in a Senator's office to which the highest rate of annual compensation may be paid under the second sentence of section 105(d) (2) of such Act may be paid at an annual rate not to exceed \$37,905.

(e) Section 105 of such Act is amended—

(1) by striking out of subsection (d) (2) (H) "the salary of one employee may be fixed at a rate" and inserting in lieu thereof "the salaries of two employees may be fixed at rates";

(2) by striking out of subsection (e) (3) (A) "two such employees" and inserting in lieu thereof "four such employees"; and

(3) by striking out of subsection (e) (3)

(B) "three such employees" and inserting in lieu thereof "four such employees".

(f) The provisions of this section do not supersede (1) any provision of an order of the President pro tempore of the Senate authorizing a higher rate of compensation, and (2) any authority of the President pro tempore to adjust rates of compensation referred to in this section under section 4 of the Federal Pay Comparability Act of 1970.

Mr. STENNIS. Mr. President, I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, in the interests of carrying out our unanimous-consent agreement which requires a final vote on this bill 2 hours and 7 minutes from this point, and realizing that Mr. HUMPHREY has three amendments, Mr. CHILES has an amendment, Mr. TAFT has an amendment, and Mr. JAVITS has an amendment, I ask unanimous consent—and this has been cleared with the offeror of the amendment—that the time on this amendment be limited to 30 minutes instead of 1 hour, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, is the agreement the same with respect to amendments to amendments?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. STENNIS. Reserving the right to object, Mr. President, I do not expect to take long, and I do not know of more than one or two Senators who wish to speak, so I am willing to agree to a limitation of 15 minutes on each side, beginning now.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STENNIS. Mr. President, this amendment, I think, is of interest to every Member of this body, because it goes right into the bosom of his own office. The amendment will not increase the amount of the allowance—I have to ask my friends again, Mr. President, to let us have their attention or be quiet so that those who wish may listen.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. It does not increase the amount to any Senator for clerk hire, but it is a sad fact of life that the salaries of our top men, our leaders in our offices, have been frozen now for 4½ years, or virtually so, with the exception of little increases of a few hundred dollars, because they have had this \$36,000 ceiling. And where all others on the staffs have been receiving these periodic increases, the ones that we put the chief responsibility upon have not received anything. I have the figures here to show that, and I shall come back to it.

In the committees, this amendment would remove the same ceiling for the two top men, and I shall increase that to four on the major committees. This is all a discretionary matter; Senators still have control of what the salaries will be as to the top men, or all of them, and it is likewise true with the committees that Senators will still have control of setting the salaries. But the way this amend-

ment operates—as I say, it goes into the very bosom of everyone's staff—these automatic periodic increases occur, and everyone receives them except the top person.

I have a record here where I have figured out that since January 1, 1971, we have had three cost-of-living salary increases, but because of this restriction that I have mentioned, our administrative assistants have not participated fully. By the first increase paid to them a year later, they would have received \$1,934 if they had been comparably increased with the rest of the staff, but as it is, they actually received then only \$564. A year later, if their increase had been comparable to that of the other members of the staff, they would have received \$1,907, but as it was, they received \$163. Then in October 1973, when there was another automatic increase, they would have received an additional \$1,861, but as a matter of fact, they received \$5. \$5—think of that. A \$5 increase.

The same thing applies in the committees. I say that on a comparability basis, we have waited too long already to remedy this situation, and that is what prompts me, and it is the only thing that prompts me, in moving for this amendment at this time.

Of course, we have officers of the Senate, and we have our senatorial employees, and the amendment is written in such a way as to make it applicable to them as well, in the same sense of fairness. There is no criticism of the House of Representatives, but all their major committees have 12 staff members that they can put at this top level, whereas our committees have two and only two that we can put at the top level. So when we develop a man over here, and he shows an aptitude and a familiarity and becomes really learned in the subject matter of the committee, they can offer him these much higher salaries over in the House of Representatives, and they do it.

I have had that experience here within the past few weeks—on the Armed Services Committee, I mean. So I think that we should lean out ourselves, not to make any comparisons as to what a Senator is worth compared to an administrative assistant, although a great deal of the time I believe that my administrative is worth, to my State and to the Nation, more than I am. But that is not the test. The question is whether we can continue on the basis of fairness and comparability. These top men we rely on so strongly. Put it on no other program but that of self-defense for Senators, the Senate, and its committees, we should make a modest reduction of this situation. It is a modest reduction. The increase is only \$2,000. Someone said something about a sense of fairness for the minority on committees. The Rules Committee has set all of that. We know this does not disturb them one bit. I cannot speak for any other chairman, of course, but it would be in a spirit of fairness to the minority. It is required, in effect, by the spirit of the rules, so that there should be a sense of fairness prevailing. I am sure that would not be a stumbling

block or an argument against the amendment.

Now, Mr. President, I would be glad to answer any questions I could. Time is short.

Mr. PERCY. Mr. President, as I understand it, there would be no increase in allowances for the committees. This would not cost the taxpayers 1 penny. This just gives us some discretion to make an increase and every committee can decide in its own discretion whether to take money out of somewhere else and move it up to the top people.

Mr. STENNIS. The Senator is correct. That is, no new money will be allowed. No new money is given the Senator, but it will cost some more money, if he puts two at the top level, as that will spend more of his allowance.

Mr. PERCY. But his allowance is not raised.

Mr. STENNIS. No, but, for instance, a man who turns back some of his allowance, there will be less coming back to the Treasury. Many of us represent States which are not so populous as others. I have turned back money every year since I came to the Senate.

Mr. PERCY. Second, with respect to equal treatment in accordance with the Reorganization Act, I concur fully with this. It is not being implemented in some of the committees, but it should be. We should move toward that. Having talked with the minority leader and the assistant minority leader, we would be anxious to see, as the number of jobs are increased from two to four, that they do not all go to the majority. The minority has an equal responsibility to maintain a high professional level. I agree these are underpaid positions so that we cannot expect to get the caliber of men and women we would like to have.

Would the Senator entertain a modification, as to such employees, that two such employees shall be employees appointed at the request of the minority members of the subcommittee, the committee, or ranking minority members?

Mr. STENNIS. On a personal basis I would not object, but that gets into the field of legislation and that is a matter primarily to be passed on by the Rules Committee. We are foreign to that. This is all within the limits of the present law, except for changing the ceiling. I think every committee is given some latitude in those rules. There is a minimum. We in the Armed Services Committee have tried to avoid the idea of a minority or a majority staff member. But this is a sense of fairness, and if it is adopted, it will be on that basis and that is far enough to go and I believe that will meet the situation.

Mr. PERCY. Would the Senator feel, however, that it would be unfair for the Senate to approve this and then have all four positions taken by the majority?

Mr. STENNIS. It would. I do not say I advocate that a minority member, an unseasoned member and not especially prepared should be given the top salary to start with just because he is nominated by the minority. He must work his way up like the rest.

Mr. PERCY. Yes, he has to be proven. All minority members have to be ap-

proved by the committee. They have to be professionals. They have to demonstrate they are worthy of that.

Mr. STENNIS. I wanted to make that point.

Mr. PERCY. That is a worthy and a good point.

I thank the Senator from Mississippi.

Mr. CANNON. If the Senator from Mississippi will allow me to interject here, the Senator has made an erroneous statement and I wanted to correct the record—

Mr. STENNIS. I wanted to yield first to the Senator from Hawaii (Mr. FONG)—

Mr. PERCY. If the Senator from Nevada wishes to correct an error I may have made, I yield to him for that purpose.

Mr. CANNON. If the record is left as it is now, it would show that there would be no increase in cost to the taxpayer. That is simply not correct. There might be no increase in cost in the sense of Senators or their individual budgets, which are at a fixed figure, but the first move that would occur would be for them to go before the Appropriations Committee to try to get that amount lifted. That has been done several times over the past few years. Second, on the committee staffs, there would be an increase in the cost to the taxpayers now, without any action taken by the Appropriations Committee, because the staffs are fixed in number and pay structure, and to pay them at a higher level would be of immediate cost to the taxpayers.

Mr. STENNIS. In response, I said that it could cost additional money, not an additional allowance, but additional money out of whatever money a Senator or committee decided to put these increases on, at whatever level.

Mr. FONG. Mr. President, I commend the distinguished Senator from Mississippi for this amendment. As one who fought hard to implement the President's recommendations for executive, legislative, and judicial salary increases the Senator is following along the lines of those recommendations for the employees represented in his amendment. I hope, however, after passage of this amendment that we will look to the passage of an amendment to take care of GS grades 15, 16, 17, and 18, now at the levels of \$36,000. They have not had an increase for the past 5 years whereas the cost of living has increased almost 30 percent over the past 4 years. According to the Commission on Executive, Legislative, and Judicial Salaries, at this rate that would mean an erosion of another 20 percent in another 4 years for a total of 54 percent when these salaries will next be reviewed. That time the pay level for GS-14, 15, 16, 17, and 18 employees would be the same, \$36,000. So I commend the Senator from Mississippi for this amendment. I shall support it, and after the amendment passes, I hope we will reconsider what we did on the President's recommendations.

Mr. STENNIS. The Senator from Hawaii has made a powerful statement on this subject. If this keeps going on the way it is now, we will be in worse trouble every year. I want to make it clear

that I am not fighting the committees or trying to get a free ride on the bill or anything like that. This is just to meet a situation as I have fully discussed it.

Mr. President, how much time do I have left?

The PRESIDING OFFICER (Mr. HASKELL). The Senator has 2 minutes remaining.

Mr. STENNIS. I will yield 1 minute to anyone that wants it.

Mr. FONG. Mr. President, let me say that the regular Government employees have received an increase of approximately 40 percent in the past 5 years. Military personnel have received an increase of approximately 80 percent over the past 5 years. The increase in salaries within the private structure has been around 30 percent during the past 5 years, yet these employees have not received a single dollar increase within the past 5 years.

Mr. STENNIS. Mr. President, may I hold back 1 minute? I yield the floor. I hope that we may have a quick vote.

Mr. ERVIN. Mr. President, there is no Member of the Senate for whom I entertain a deeper affection or higher admiration than the distinguished junior Senator from Mississippi (Mr. STENNIS).

But I cannot vote for this amendment for two reasons: The first is that this matter falls within the jurisdiction of the Post Office and Civil Service Committee. This proposal should be incorporated in the form of a separate bill, and the committee which has the jurisdiction should pass on the matter.

In the second place, I am not impressed by claims of great financial distress among the top employees of the Federal Government, the executive branch, or those on Capitol Hill. As a matter of absolute truth, the top employees in both categories are in a better fix than U.S. Senators, because their net earnings are more, as compared with the earnings of Senators.

Also, we are giving these people salaries higher than the salaries of the Governors of many States, higher than the salaries of supreme court justices of many States, and higher than the salaries of many other State officials.

I hear a lot about comparability. I do not know about the earnings of civilians generally, but my impression and my conviction are that Federal salaries are all out of line, being highly in excess of those which people are receiving for working in nongovernment employment and industrial employment.

I just cannot conscientiously vote for this amendment, for those reasons.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ERVIN. I was going to yield to the Senator from Nevada.

Mr. CANNON. I defer to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I join in everything that the manager of the bill has said.

Apart from the fact of jurisdiction, that this matter belongs to the Committee on Post Office and Civil Service, I think it would be a travesty for us to do this in a piecemeal manner. Senators are paid \$42,500 a year. That is a lot

of money. In anybody's country, that is a lot of money. But when you realize that a Senator has to maintain two homes, that he has to contribute to about every church bazaar in his State, that he has to make contributions that other individuals are not being called upon to make, you realize that if we raise these top staff members within a range of \$3,000 or \$4,000, we are doing an injustice.

This entire matter has to be studied, and the Senator from Wyoming (Mr. McGEE) has already promised that a study will be conducted by his committee. I do not think now is the time, nor is this the place, for us to be discussing this matter. I am for doing what is right. On the other hand, I do not see these people resigning or quitting in droves. I do not see any Senators retiring from the Senate simply because of the salary.

I think we have to take a long view, a very in-depth study, of this matter, and at the proper time and proper place we ought to consider all the elements that are involved. But at this time to say to a Senator that he is worth only about \$2,000 or \$3,000 more than somebody who works for him is an insult to the Senator.

Mr. ERVIN. Mr. President, I yield the remaining time to the distinguished Senator from Nevada.

Mr. CANNON. Mr. President, I agree completely with the distinguished Senator from North Carolina and the distinguished Senator from Rhode Island.

I point out one additional fact that has not been mentioned: We have other people on the Senate staff who are top level now, who are not even covered by this amendment. In addition, we are leaving out the civil service people, who are bunched together—as the distinguished Senator from Hawaii mentioned—the grades 15 through 18, who cannot get raises because of the structure at the top level.

Furthermore, if we do this, we are doing nothing for the members of the judiciary, who are already fixed and who were very hopeful of getting a raise, and we are simply moving the top level staff people up closer to the amount the judiciary gets.

So far as it costing the taxpayers is concerned, let no one make a mistake that this is not going to cost the taxpayers, and cost very substantially—both on our individual staffs and on the committee staffs. It will do so without any further action on the committee staffs. So far as our personal staffs are concerned it will do so, because at the first legislative appropriations hearing, there will be people in to testify that they need an additional money allowance to pay for these raises to the staff.

Mr. President, I would prefer to see this matter treated in an orderly fashion, to go to the committee having jurisdiction, to be considered, and then let them come back with a report. Absent that, if the matter is to be pressed, I may say, in all frankness, that as soon as the time has expired on this amendment, I would propose to offer an amendment to it to include in this category the journal clerk of the Senate, the legislative clerk

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of the Senate, and the Assistant Parliamentarian of the Senate, all of whom are at the top level and who are not covered in the proposed amendment.

I would also propose—and am going to propose at the proper time, if this amendment is really considered—that the GS grades 15 through 18 shall be included, so that their pay rate shall not exceed the sum of \$39,615, which is top level permitted in this amendment.

I simply point out to my colleagues the type of situation we are getting into by trying to legislate on something that is completely nongermane to a most important bill on the floor of the Senate.

I hope the Senator will see fit not to press this amendment; but if it is pressed, I have already given my colleagues notice of what I intend to do by way of an amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PASTORE. Mr. President, if the Senator will yield, I hope he will not offer his amendment. I hope that we will defeat the pending amendment. If necessary, I am going to move to lay it on the table. I think this is not the time to be discussing this matter. If there is no further colloquy—

Mr. PERCY. Mr. President, I ask this question of the distinguished Senator from Mississippi: He has clearly indicated that the intent of his amendment is to fairly treat the minority, but the definition of it is subject to a great deal of discussion.

I would think that no one could argue with the fact that out of four such employees, at least one would be assigned to the minority. So at least that indication would be that the minority would be dealt with fairly.

I feel very strongly that we are treating these top staff members very poorly, and we are treating ourselves poorly, because we have lost any number of men and women who have simply been forced out by the fact that the salaries have been frozen.

I certainly appreciate the fact that this is not a germane amendment to this bill; but it makes one wonder when we are going to get around to straightening out this situation, which is grossly inequitable, and we all know that.

I ask the Senator whether he would accept the following amendment: Following the words "in lieu thereof for such employment," add "at least one of which shall be employees appointed at the request of other minority members of that committee."

Mr. STENNIS. Let me respond to the Senator this way: Under the present rules of the Senate—

Mr. ERVIN. Mr. President, is this time being charged against the opposition?

The PRESIDING OFFICER. This time is being taken out of the time of the Senator from North Carolina.

Mr. ROBERT C. BYRD. On the bill or on the amendment?

The PRESIDING OFFICER. On the amendment.

Mr. PERCY. Mr. President, I ask for 3 minutes on the bill.

Mr. STENNIS. Mr. President, I refer to the Legislative Reorganization Act, which provides for six professional staff

members. It does not set the salary. Two of such professional staff members may be selected for appointment by majority vote of the minority members. So they have that right now, as a matter of hard law, for a third. I do not know whether the Senator's committee is getting it or not, but it is written into the law. In the Committee on Armed Services, we follow that rigidly.

Mr. PERCY. The slots are provided to the minority, two out of six, but not the pay. Here, specifically, the Senator is providing for jobs at a pay level. If by legislative history we can make it certain enough that at least one person would be assigned to the minority the Senator from Illinois would be satisfied.

Mr. STENNIS. I beg the Senator's pardon. This does not set the salary; it provides it may be set at the top level.

I do not want to be fussy about this matter. I would agree that one be nominated by the minority at such salary as the committee may set. That is the way it happens now. That would take care of the situation.

Mr. ROBERT C. BYRD. Mr. President, I intend to vote for the amendment of the Senator from Mississippi. If this other aspect is brought in, which I think is a matter for the Committee on Rules and Administration to decide, I shall vote against it. I think it should go to the Committee on Rules and Administration.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I hope we will vote one way or another because we are going to get into a terrible crunch at 2 o'clock. We have seven amendments pending.

Mr. ERVIN. Mr. President, I yield back my time in opposition to the amendment.

Mr. HUGHES. Regular order.

The PRESIDING OFFICER. The Senator from Mississippi has 1 minute remaining.

Mr. STENNIS. Mr. President, just by way of review for those who have come to the Chamber, this proposal is merely to meet a situation of comparability, of fairness, whatever it may be called, within the Senator's own staff where we have let a situation develop by putting a ceiling on the man who is presumably in the most responsible position in the office and at the same time we have passed laws to give automatic increases to all others on his staff. It is not fair, it is not right, it is not compatible, and already it is leading us to very serious trouble. The same thing applies within the committees, with some difference of application. I feel certain that the minority will be treated fairly in this matter.

The PRESIDING OFFICER. All time is expired.

Mr. PASTORE. I move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

Mr. HUGHES. The yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. PASTORE. Who asked for the yeas and nays? I did not ask for the yeas and nays.

The PRESIDING OFFICER. The Chair understood the Senator from Iowa to ask for the yeas and nays.

Mr. HUGHES. I withdraw the request.

Mr. STENNIS. Mr. President, I ask for the yeas and nays on the motion to table.

Mr. PASTORE. The yeas and nays, Mr. President.

The PRESIDING OFFICER. The yeas and nays are ordered. The question is on agreeing to the motion of the Senator from Rhode Island. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BEALL (after having voted in the affirmative). On this vote I have a pair with the Senator from New Hampshire (Mr. COTTON). If he were present and voting he would vote "nay." I have already voted "yea." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Utah (Mr. MOSS), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Alabama (Mr. SPARKMAN), are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM), and the Senator from West Virginia (Mr. RANDOLPH), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. McCURE), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

I also announce that the Senator from Vermont (Mr. ARKEN), is absent because of illness in the family.

I further announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG), are absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND), would vote "nay."

The result was announced—yeas 48, nays 29, as follows:

[No. 84 Leg.]

YEAS—48

Abourezk	Dole	McGee
Bartlett	Ervin	McGovern
Bayh	Fannin	Montoya
Bible	Gravel	Muskie
Biden	Gurney	Nelson
Brock	Hansen	Nunn
Buckley	Hartke	Packwood
Burdick	Hathaway	Pastore
Byrd	Hollings	Proxmire
Harry F., Jr.	Huddleston	Schweiker
Cannon	Hughes	Scott
Case	Humphrey	William L.
Chiles	Jackson	Taft
Church	Magnuson	Talmadge
Clark	Mansfield	Tower
Cranston	Mathias	Williams
Curtis	McClellan	

NAYS—29

Allen	Hart	Pearson
Baker	Haskell	Pell
Bennett	Helms	Percy
Bentsen	Hruska	Roth
Brooke	Inouye	Scott, Hugh
Byrd, Robert C.	Javits	Stennis
Domenici	Johnston	Stevens
Eastland	McIntyre	Stevenson
Fong	Metcalf	Tunney
Griffin	Mondale	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Beall, for

NOT VOTING—22

Aiken	Hatfield	Sparkman
Bellmon	Kennedy	Stafford
Cook	Long	Symington
Cotton	McClure	Thurmond
Dominick	Metzenbaum	Weicker
Eagleton	Moss	Young
Fulbright	Randolph	
Goldwater	Ribicoff	

So Mr. PASTORE's motion to lay on the table Mr. STENNIS' amendment was agreed to.

Mr. TAFT. Mr. President, I call up my amendment No. 1050, on behalf of myself, the senior Senator from Alabama (Mr. SPARKMAN), the senior Senator from Wisconsin (Mr. PROXMIER), and the senior Senator from Texas (Mr. TOWER).

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read the amendment as follows:

On page 170, line 23, delete "(3) Federal Financing Bank;" and renumber the items which follow accordingly.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from New York (Mr. JAVITS) has indicated a willingness to reduce his time on his amendment from 20 minutes to 10 minutes. I ask unanimous consent to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that the senior Senator from Utah (Mr. BENNETT) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, this amendment to S. 1541, which I explained on page S3913 of yesterday's RECORD, would delete reference in section 606 to the Federal Financing Bank, and thus keep the Bank out of the budget.

Section 606 would repeal a number of provisions of law which have exempted from the budget certain Federal programs and agencies, including the Federal Financing Bank.

Including the outlays of the Federal Financing Bank in the budget totals, as would be required by section 606, would mean that each time the Federal Financing Bank purchased an obligation guaranteed by another Federal agency a new budget outlay would occur. Thus the Federal budget and the Federal deficit would be increased by the amount of Federal Financing Bank purchases of guaranteed securities.

There has been a great deal of misunderstanding about the effect of section 606 on the Federal Financing Bank. I

agree that when the Bank purchases an obligation issued by a Federal budget agency, such as TVA, there would be no net effect on Federal budget totals; this would simply be an intragovernmental transaction. I also recognize that obligations guaranteed by Federal agencies would not be directly affected by S. 1541, and they could continue to be financed outside of the budget.

The problem created by S. 1541 is simply that guaranteed obligations could not be financed by the Federal Financing Bank except by increasing budget outlays. Thus, since guaranteed borrowers could not count on the ready availability of Federal budget funds, the Financing Bank would not be the assured source of financing that the Congress intended it to be.

The total amount of securities issued or guaranteed which would be eligible for purchase by the Federal Financing Bank in the fiscal year 1975 is estimated at \$20 billion, of which guarantees account for \$17 billion. Consequently, the Federal budget deficit of \$9.4 billion estimated for fiscal 1975 would be increased by \$17 billion if the Bank purchased these securities, and the deficit would be \$26.4 billion. I do not think it is realistic to expect that this would occur.

Rather, many guaranteed borrowers who are eligible to borrow from the Federal Financing Bank would generally feel obliged to continue their own market borrowing operations so as to avoid the uncertainties of relying on sufficient funding when they need it from the Financing Bank. Thus, these guaranteed borrowers would continue to pay more on their borrowings, and the intent of the Congress in the Federal Financing Bank Act of 1973 would not be achieved.

The additional interest cost incurred in financing guaranteed securities outside of the Federal Financing Bank will in many cases be a direct cost to the Federal Government and thus to the taxpayer, since many guaranteed obligations, such as in the subsidized housing programs, involve direct Federal interest payments.

Who else will pay the cost of including the Federal Financing Bank in the budget?

The rural electric cooperatives, whose bond issues will be guaranteed by REA under the new program enacted by the Congress in May of last year, would be required to pay more by borrowing in the market rather than through the Federal Financing Bank.

A higher interest rate would also be required on the Farmers Home Administration guaranteed obligations to finance farmers, rural housing and a variety of other rural development purposes.

The new Student Loan Marketing Association established by the Congress to lower the costs of financing the student loan program would also have to pay more on its borrowings.

The residents of Maryland, Virginia, and the District of Columbia would bear a higher cost for the new subway because the Washington Metropolitan Area Transit Authority would pay more on its borrowings which are guaranteed by the Secretary of Transportation.

The cost of financing would also be higher for small business investment companies, health maintenance organizations, hospital facilities, new communities and a variety of other housing, education, and transportation obligations which are guaranteed by Federal agencies and which are eligible for Federal Financing Bank purchase.

Only if the Congress wishes to place these guaranteed securities themselves in the budget, which would not be done by S. 1541, would it make sense to require that budget outlays be incurred each time one of these securities is financed by the Financing Bank.

Thus, the inclusion of the Federal Financing Bank in the budget would serve only to continue the disorderly conditions in the market for Government-backed securities and raise the cost of borrowing for programs which were enacted by the Congress for the express purpose of lowering their borrowing costs. I do not think that any Member of the Senate wishes to see this happen. Thus I urge that you support my amendment, which would assure that the intent of Congress in the Federal Financing Bank Act of 1973 would be fulfilled.

I ask unanimous consent that a letter from Secretary Shultz of the Treasury, supporting the amendment be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF THE TREASURY,
Washington, D.C., Mar. 14, 1974.

HON. SAM J. ERVIN, JR.
Chairman, Government Operations Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In our further review of S. 1541, we find one provision concerning the Federal Financing Bank, created by the Congress on December 29, 1973 (P.L. 93-224), which would effectively negate the purpose of that recent legislation.

Specifically, Section 606 of S. 1541, as reported by the Senate Committee on Rules and Administration on February 21, 1974, would repeal a number of provisions of law which exclude certain programs and agencies, including the Federal Financing Bank, from the Federal Budget totals and limitations. Inclusion of the Federal Financing Bank in that provision misconstrues the nature and purpose of the Bank, which conducts no substantive program and is designed solely to coordinate and make more efficient borrowing by other Government agencies that will take place in any event. The decision on appropriate budgeting treatment should be made with respect to the substantive agencies, not with respect to the Federal Financing Bank.

I sympathize with the objective of Section 606 to provide for better budget control. If the Congress determines that certain substantive Federal credit programs be included in the Budget, this can and would be assured by including those programs in the Budget. This objective would not be achieved by including the Federal Financing Bank in the Budget. The Bank is simply an optional financing vehicle to consolidate and to lower the costs of market borrowing activities for other Federal agencies. The Bank is authorized to issue its own securities and to use the proceeds to purchase any obligation issued, sold, or guaranteed by a Federal agency. Such purchases by the Bank would not affect the budget treatment of the agency operations. That is, those agencies which are in the Budget would not be removed from the Budget by using the Financing Bank. Nor

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would agencies outside the Budget be brought into the Budget simply because their obligations were financed by the Bank. Thus the Federal Financing Bank itself would have, and should have, no effect on the Federal Budget outlay and receipt totals or surplus or deficit except, of course, that budget savings would be realized over time by the reduction in agency financing costs made possible by the Bank.

The need for the Federal Financing Bank arose from the fact that over the years Congress provided many Federal credit agencies with authority to conduct their financing activities independently. The result has been a proliferation of inefficient Government-backed obligations in the market in the form of agency issues, sales, or guarantees of securities.

To a considerable extent, such agency financing is today in the form of guaranteed securities. This form of financing is outside the Budget today, and under the terms of S. 1541 would remain outside the Budget. Much of the savings made possible by the Bank would arise from financing such guaranteed obligations through the Bank. In many cases, such as guaranteed Farmers Home notes, public housing bonds, and GSA certificates, the Government itself would directly realize the savings in interest costs since these programs involve direct Federal interest payments. In other guarantee programs, such as Merchant Marine bonds, Amtrak issues, and Washington Metropolitan Transit Authority bonds, the interest savings would benefit the guaranteed borrowers but should in the end also lead to a reduction in Federal construction or operating subsidies for these programs.

If the Federal Financing Bank were to be included in the Budget while the substantive guarantee programs themselves remain excluded, those Federal agencies could not find it practicable to use the Bank to finance guaranteed securities. The net effect would be that most agency financing activities would continue to be conducted directly in the market in less efficient forms and at substantial additional costs to the programs being financed and to the Federal taxpayers.

In sum, the decision as to appropriate budgeting treatment should be made with respect to the credit programs themselves, and not on the basis of whether they choose to use the Federal Financing Bank as a financing vehicle. It is not my intention here to suggest which Federal credit programs should be in the Budget. I merely wish to point out the overlapping, and therefore self-defeating, nature of including the Federal Financing Bank in Section 606.

Sincerely yours,

GEORGE P. SHULTZ.

Mr. TAFT. Mr. President, let me cite an example to indicate what this provision would do to a particular program.

For fiscal 1975, the President's budget estimates that almost \$2.5 billion would be disbursed under rural housing and miscellaneous agriculture programs. Yet, the figure in the budget for these programs is negative \$368 million. The negative figure is made possible not by repayments of outstanding Farmers' Home Administration loans, but rather because the Farmers' Home Administration packages the housing loans and markets them like agency obligations. These "asset sales", as they are called, result in a substantial negative budget figure.

The Federal Financing Bank provides the opportunity for the Government to save interest costs on these obligations.

Under this procedure, the Bank would technically purchase the packaged farmers' home loans and substitute its own

obligations to obtain a more favorable interest rate. Exactly the same amount of borrowing from the private market would be done. Yet, because the Bank is an intermediary, the cost of purchasing these obligations would show up in the budget even though this cost is being financed through borrowing from the public and not tax money.

The result is that a large portion of the \$2.5 billion in disbursements would become "budget outlays". Rather than increase the budget by this much money, Farmers' Home Administration would be quite likely to avoid the budget by continuing its financing in the present inefficient manner, at considerable cost to the taxpayers.

In the case of the guarantee programs, which constitute a much greater volume of obligations, the only significant difference would be that the Government agency would arrange for the Bank to acquire the obligations rather than acquiring them and reselling them to the Bank. The budget principles would be the same.

I reserve the remainder of my time.

Mr. ERVIN. Mr. President, I wish to assure the Senator from Ohio that we will be glad to take this matter to conference.

Mr. TAFT. I thank the Senator from North Carolina for taking that position. While there has been objection expressed in a letter from the General Accounting Office, I must say that its objection shook my confidence a good deal in the General Accounting Office's understanding of the matter. But since this is a technical matter, and having received assurance from the chairman that the matter will be considered thoroughly for conference, and with the realization that the House bill does not contain what is in this proposal, I shall be glad to withdraw the amendment.

Mr. PERCY. Mr. President, I ask unanimous consent that two letters, one dated March 18, 1974, the other dated March 19, 1974, from the Comptroller General and the Assistant Comptroller General, respectively, be printed at this point in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

COMPTROLLER GENERAL

OF THE UNITED STATES,

Washington, D.C., March 18, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate, Washington, D.C.

DEAR SENATOR PERCY: You have requested the comments of the General Accounting Office on the provisions of Section 606 of S. 1541, as reported by the Committee on Rules and Administration. These provisions concern the Federal Financing Bank. Essentially, these provisions would require that the Federal Financing Bank and several other agencies now excluded from the budget totals be included therein.

We believe it appropriate that the activities of the Federal Financing Bank, like those of all other Government agencies, be included in the budget totals, and we therefore favor these provisions of Section 606 of S. 1541.

As we understand it, among the arguments of those opposing the legislation are contentions that the Federal Financing Bank is unique; that it is not a program agency; that its activities will create neither expenditures nor borrowings that will not otherwise occur; and that its activities are in effect a consolida-

tion of the financing activities of other Federal programs. It is also argued that exclusion from the budget is necessary to assure neutrality with respect to the budget status of programs the Bank would be dealing with.

We disagree fundamentally with the "budget neutrality" argument. Rather, we agree with the President's Budget Concepts Commission of 1967 that all agencies and programs should be subjected to the test of inclusion in the budget totals and the consequent priority evaluations and judgments.

Further, it is not clear to us that the other cited arguments are valid. To the extent that Federal Financing Bank activities simply mirror or duplicate the activities of other agencies or programs, these activities can and should be netted out of budget totals as is done in many other areas of the budget. It appears likely, however, that some activities of the Bank will not be duplicative of amounts otherwise included in the budget for a given year. These activities should be reflected in the budget and included in budget totals.

We do not read the language of Section 606 as requiring the inclusion of the total amounts of guarantees of non-Federal obligations in budget totals nor do we believe this should be required. If this is a concern, we believe it could be removed by report language or legislative history clarifying the intent of the bill to exclude such guarantees except for a reasonable contingency amount.

Sincerely yours,
ELMER B. STAATS,
Comptroller General of the United States.

ASSISTANT COMPTROLLER GENERAL
OF THE UNITED STATES,

Washington, D.C., March 19, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: This letter will summarize a discussion on this date with Mr. Vastine of your staff regarding the reasoning behind our conclusion that the Federal Financing Bank should be "in budget."

1. When the Federal Financing Bank acquires the obligations of agencies, the transactions are not simply guarantees of the agencies' securities, but are outright purchases of those securities. Therefore, they are direct outlays of Federal funds whether or not the securities of the agencies were "in budget."

2. This being the case, the outlays should be included in the budget totals and should be subjected to the same priority and cost benefit tests as other Federal outlays.

3. Subjecting the Bank's outlays to these tests should not eliminate the use of the Federal Financing Bank since the interest and other advantages of obligations issued by the Federal Financing Bank would remain. Rather, it would assure that Bank outlays were appropriately weighed against alternative choices and priorities.

I hope this additional explanation clarifies our position and reasoning. If we can be of further help, let us know.

Sincerely,

PHILLIP S. HUGHES,
Assistant Comptroller General.

Mr. PERCY. Mr. President, I fully agree with the Senator from North Carolina, and will give due consideration to the proposal.

Mr. BROCK. Mr. President, I serve on the Committee on Banking, Housing and Urban Affairs. We have spent a great deal of time on the subject of the Federal Financing Bank. I am completely in sympathy with the Senator's objectives. I do not think the Committee on Government Operations had any intention

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whatsoever to limit its access, availability, or effectiveness.

Let me assure the Senator from Ohio that if he withdraws his amendment the committee will make every effort to see that his concerns are dealt with. We simply want to be certain that the things that ought to be covered, are covered. I think the Senator from Ohio has raised a completely valid point. I assure him of my efforts to secure modified language, so as to make sure that we do not take any action that would be deleterious to the Federal Financing Bank.

Mr. TAFT. I thank the Senator.

Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS. Mr. President, I offer my amendment No. 1057 and ask that it be read. I call attention to the fact that the year 1978 in line 4, page 1, is in error. The year should be 1975.

The PRESIDING OFFICER. Without objection the amendment is so modified. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 116, after line 25, insert the following:

REPORT ON NATIONAL GOALS AND PRIORITIES

SEC. 203. (a) ANNUAL REPORT.—The Director shall submit to the Congress on or before May 1 of each year (beginning with 1975) a national goals and priorities report, which shall include, but not be limited to, a description and discussion of—

(1) the President's recommendations on national priorities reflected in the proposed allocation of budget authority and budget outlays for each major national need as set forth in the budget submitted by the President for the fiscal year beginning on October 1 of such year.

(2) the goals, or objectives, associated with each major national need and the goals, or objectives, being sought by all Federal programs directed at meeting such national need and a balanced national growth;

(3) an assessment of the adequacy of the resources allocated to each national need in view of the goals or objectives being sought; and

(4) an assessment of the probable effect of such proposed budget outlays and budget authority and of such allocation of resources, upon the balanced growth and development of the Nation, such assessment to be drawn from information, data, reports, and analyses which shall be furnished to the Director upon his request by such Federal departments, agencies, and bureaus as he may determine and as may have such requested subject matter within their official jurisdiction.

(b) ASSISTANCE TO COMMITTEES AND MEMBERS.—At the request of any committee or Member of the Senate or the House of Representatives or any joint committee of the Congress, the Office shall provide to such committee, Member, or joint committee further information, data, or analysis relevant to the subject matter of subparagraph (a).

Mr. ROBERT C. BYRD. Mr. President, we are confronted with the following situation: After disposing of the amendment offered by the Senator from New York (Mr. JAVITS), six amendments

remain to be disposed of. An understanding was reached whereby the distinguished Senator from Nebraska (Mr. CURTIS) would be permitted to speak on the bill for not to exceed 15 minutes. The distinguished Senator from Arkansas (Mr. McCLELLAN) was to be allowed to speak for at least 5 minutes, if he deems it necessary. Senators can thus see for themselves what the situation is, because we have agreed to vote on final passage at 2 o'clock p.m. today. That puts the managers of the bill in a most difficult position, so I ask unanimous consent that they limit their statements on the remaining amendments, with the possible exception of the amendment by the Senator from Georgia (Mr. NUNN), to 3 minutes.

Mr. NUNN. Mr. President, reserving the right to object—

Mr. ROBERT C. BYRD. The Senator's rights are protected.

Mr. NUNN. I have no objection.

Mr. JAVITS. Mr. President, I am very hopeful I can complete what I have to say within five minutes or less, because this matter has been fully discussed. I wish to make it clear that this language, which seeks only a report on national goals and priorities, results from a previous history in the Senate and the collaboration of a number of Senators.

The Senator from Florida (Mr. CHILES) raised some question in an amendment that had other aspects; the Senator from Minnesota (Mr. HUMPHREY) raised some question in another amendment that had other aspects.

The Senate, on two previous occasions, has passed this particular matter as a bill—as a matter of fact, established by a bill in 1971 an office of national goals and priorities equivalent to the Comptroller General's Office.

The Government Operations Committee, which has dealt with this matter too, in considering this bill, reported it as a separate bill, with another matter that the Senator from Florida (Mr. CHILES) had dealt with. That matter having been dealt with in another amendment, and not having got into the bill, all of us decided—that is, from collaboration among the Senator from Florida (Mr. CHILES), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Maine (Mr. MUSKIE), the Senator from Illinois (Mr. PERCY), and myself—that the best that could be done—and it was very desirable that it be done—was to provide in the year 1975 for some overview of national goals and priorities from an agency of our own, to wit, the budget committee, because this would be very useful. Many corporations, such as American Telephone & Telegraph Co., United States Steel Corp., and others, have a 5- to 10-year projection.

I think we have done a remarkable job on the bill with respect to the annual budgeting process, but I think we should still have a projection forward as to where we are heading, and what the budget is supposed to inform us to do. That is the purpose of the amendment. We have trimmed it down considerably so that there will not be an onerous burden on the director of the committee.

A second very important point was made by the Senator from Florida (Mr.

CHILES): That information which should be available to every Senator, which was something he worked very hard on, should be limited to what the director is required to do anyhow in respect to the report, so that he cannot be given brand-new jobs which he can carry out with separate committees.

I am very hopeful, Mr. President, on behalf of us all, because the amendment is simply a mosaic of the work of Senator CHILES, Senator HUMPHREY, Senator MUSKIE, and myself as it relates to this particular matter and nothing beyond it, that the committee may see fit to accept the amendment.

Mr. BROCK. Mr. President, as a cosponsor of the amendment, I am delighted to accept it.

The Senator, in his modified version, requires a report by 1975. I believe it is quite possible that, under the new legislation, the Director of the Budget might not be confirmed until early in the following year, and I wonder if it would be possible for them to meet the Senator's timetable in the next year.

Mr. JAVITS. I was going to make this suggestion: If, when we finally get to conference—and I suppose perhaps I shall be a conferee, too—we see the time is too short, we will change it. Second, as we have done here time and time again, if we get in a jam we can handle the matter by a consent bill.

Mr. BROCK. I am personally perfectly willing for the date to remain as it is, but I simply raise the point.

Mr. President, I am delighted to have the amendment accepted.

Mr. HUMPHREY. Mr. President, I offered an amendment for discussion yesterday, proposing the inclusion in the budget-making process of a guarantee that the Nation's balanced growth and development would be considered with the seriousness it deserves.

Some of my colleagues suggested at the time that while they agreed with what I was saying in principle, they were unwilling to support the specific means by which I proposed to achieve it.

We have before us now another amendment, this one proposing to include national goals and priorities and growth and development among the considerations weighed during the budget-making process.

Under the provisions of the amendment, the Office of the Budget would report each year to the Congress on the impact of the President's proposed budget, upon the Nation's goals, priorities and balanced growth and development. The information would come in part from the President, in part from the various existing Federal departments and agencies, for preparing this report.

I believe this is the least we can provide, Mr. President. This is a bare minimal assurance that our budget deliberations and decisions will be enlightened by a knowledge of the impact of what we do upon the future growth and development, goals and priorities of the Nation.

The amendment calls for an assessment of the likely impact of the President's budget proposals on the Nation's balanced growth and development.

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While it is not spelled out specifically in the amendment, but left to the discretion of the Director of the Office, I would like to suggest some of the subject matter that should be considered in this assessment.

These items might include population distribution within and among the States, employment, environmental quality, land-use, transportation, communications, fuels and energy, food and fiber production and consumption, housing, health-care facilities and services, education, manpower training, recreational and cultural facilities, the advancement of technology.

These need not be spelled out in the amendment itself. The amendment gives the Director the discretion to request information from the existing Federal agencies and programs, and I have confidence that between them they could and would produce the kind of information intended in the amendment.

The main objective is to state clearly in the legislation that the Congress recognizes national growth and development, goals and priorities to be directly related to and affected by the national budget, and to declare a desire for information about that inter-relationship each year as the budget-making process begins.

Mr. ERVIN. Mr. President, we will take this amendment to conference.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HASKELL). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BROCK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. CRANSTON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. NUNN. Provided I do not lose my right to the floor.

Mr. CRANSTON. Mr. President, I ask unanimous consent to have 2 minutes to bring up an amendment of my own which is acceptable to the management and would not take any time away from our schedule.

Mr. NUNN. Reserving the right to object, as the Senator from Georgia understands, this time does not come out of my time.

The PRESIDING OFFICER. The Senator is correct.

Mr. CRANSTON. My amendment is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CRANSTON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON'S amendment is as follows:

On page 121, lines 4 and 5, strike out "Estimated revenue receipts;" and insert in lieu thereof "Total estimated revenue receipts and the major sources of such receipts, with such total being allocated among such sources;"

On page 121, line 16, immediately before the semicolon, insert a comma and the following: "and may include the major sources from which such revenues are to be received, with such appropriate level being allocated among such sources".

Mr. CRANSTON. Mr. President, this amendment has been discussed with the leadership. All it does is request that when the Finance Committee comes in with its estimates of revenues, it indicate what revenues are expected to produce how much, so that we will have a better indication of how much we will receive from the income tax and how much from other taxes.

It also states that when there is a desire to either increase or reduce taxes, for whatever reason, the Senate may recommend which taxes be reduced or increased in general. That is simply to provide more flexibility, and match the revenue aspects of the budget control bill with the appropriation and operational aspects more clearly.

This amendment will strengthen the new congressional budget process, through which all spending decisions will be related to each other and to revenues, by providing that the first concurrent resolution shall state not only the total estimated revenue receipts but the major sources from which such receipts are anticipated. In addition, the amendment provides that the recommended level of aggregate Federal revenues also may include recommendations for the major sources from which such revenues are to be derived with appropriate levels being allocated among such sources.

The committee reports before us have emphasized the need for Congress to give greater attention to the revenue side of the budget.

Spending by Congress has been blamed for the deficits and the fiscal crisis which threatens us with an overwhelming inflation. The Rules Committee report, however, wisely and correctly points out that on closer inspection we find that large and unexpected additions to the debt have resulted largely from the revenue side of the balance sheet, and not necessarily from higher spending. The report points out that in the years from 1970 to 1972 the differences between budget estimates and actual receipts for those 3 years represented 65 percent of the difference between estimated and actual deficits.

S. 1541 offers the Congress, for the first time, an opportunity to decide what kind of fiscal policy the country will have. The budget process developed by the Government Operations and Rules Committees, I believe, establishes a rigorous procedure for controlling spending. I believe, however, that Congress should give equal attention to the revenue side of the budget.

As the Rules Committee report states:

It is clear that a sound Congressional budget policy cannot be based on the as-

sumption that control of spending levels is sufficient to achieve desirable economic results.

The bill already directs the Budget Committee to state the appropriate aggregate level of Federal revenues but it does not go further to state where additional revenues should come from, or where cuts should be made.

The bill does provide that in the second concurrent resolution the Budget Committee would have the option of directing the House Ways and Means and Senate Finance Committees to report legislation adjusting revenues or the public debt limit.

Rather than rely solely on adjusting revenues after the fact in the second concurrent resolution, I believe that we should look at our revenue requirements with greater specificity at the start of the annual congressional budget process.

My amendment makes possible an opportunity to bring the revenue side of the budget into the congressional budget process at an early opportunity—when Congress first acts on the first concurrent resolution.

I believe this aspect of the debate envisioned for the First Concurrent Resolution will add a much needed dimension and will focus additional congressional attention on the revenue side of the budget.

The PRESIDING OFFICER (Mr. HASKELL). The question is on agreeing to the amendment of the Senator from California.

Mr. BROCK. Mr. President, I have no objection at all. I am willing to accept the amendment.

Mr. CRANSTON. I thank the Senator very much. I understand that is also the position of the Senator from North Carolina.

Mr. ERVIN. Mr. President, we are willing to take this amendment to conference. It seems to be a good amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. NUNN. Mr. President, I am going to try to be as brief as possible, but brevity does not indicate—

Mr. ROBERT C. BYRD. Mr. President, has the Senator's amendment been stated?

Mr. NUNN. The amendment is at the desk. I ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. NUNN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN's amendment is as follows:

On page 152, line 25, strike the words "substantial portion" and insert in lieu thereof: "ninety percent".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, after having heard the statement of the author of the amendment, that the time on the amendment be reduced to 20 minutes.

Mr. NUNN. Mr. President, reserving the right to object, I am probably going

to have to have a rollcall vote on this amendment. The time for the rollcall would not have anything to do with time on my amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. NUNN. Mr. President, as I say, I am going to try to be as brief as possible, but brevity does not indicate anything with regard to the seriousness of this amendment.

The bill as reported by the Committee on Government Operations did not provide for exempting extension of trust funds from backdoor controls. We provided exemptions for the trust funds themselves, but not for extension of trust funds.

Under the bill as now pending, any extension of the trust funds, of which there are many, would be exempt unless more than 70 percent of general fund revenues were used to finance it. That is to say, if as much as 30 percent of the trust fund, after the accretion was added, were self-sustaining, it would be completely exempt from any Appropriations Committee review.

Mr. President, this is to me a very large loophole, and I am sure that Senators would like to read, at least those who are present, the preparation we have made on this, of which every Senator has a copy on his desk.

The concept underlying the exemption of trust funds from backdoor spending controls is that they are self-funding, and thus present no problem from a budget point of view. The bill now exempts from backdoor control any legislation extending any existing trust fund program as long as that program is 30 percent self-funding. For example, there will be no backdoor control on legislation to create or extend a program that is funded 70 percent from general revenues and only 30 percent from earmarked or user-paid taxes.

Thus there will be an incentive to structure legislation in terms of extension of the roughly 100 trust funds, many of which are worded very broadly in terms of what they do, now in effect, and I think this creates a massive potential loophole.

In order to eliminate this possibility, my amendment suggests that the phrase "substantial portion" on page 152, line 25, should be amended to read "90 percent." This would insure that any legislation which draws from general revenues in excess of 10 percent of its funding, and that is now not subject to the appropriations process, will be subject to the same backdoor controls which apply to all non-trust-fund items.

This will make the bill consistent all the way through, because the bill does provide that new trust funds which are created will be under the so-called backdoor controls if they are funded more than 10 percent from general revenue funds. So it is a consistent amendment with the overall legislation.

I would like to make one other point, and this is an important point, but it is difficult to grasp: Even the 90 percent that I am proposing, and the 30 percent to a greater degree, will allow that an extension itself could be 100 percent fi-

nanced out of general revenues as long as the landing point or final result of that extension does not make the overall trust fund go below the 30 percent self-sustaining level. So we are talking about a very significant loophole in this particular bill.

I have just done a little rough computation on it. If we exclude the social security trust fund, right now there is a total of \$49 billion in revenue coming in from other trust funds. This bill as drafted would allow, in effect, new programs to be attached as extensions to existing trust funds, and result in additional outlays from general revenues of as much as \$121 billion without going through any appropriations process whatsoever.

One other very important point: If the trust fund extension is stretched so that it does not take effect until the fiscal year following the budget year, not only will it have no sanction or review by the Appropriations Committee, but also, and perhaps even more important, it would not even be in the concurrent resolution for the upcoming fiscal year.

So we can have a trust fund extension that comes in and draws all its money out of the general fund, beginning one fiscal year removed, that is not only exempt from the appropriation process and Appropriation Committee review, but is also exempt from even being included in the concurrent resolution until the following year; and, in the case of many trust funds which are entitlement in nature, they would then be beyond the power of Congress to do anything about. I certainly hope this body will consider this matter and consider it very strongly, because I think it is very important.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. CHURCH. Does the Senator's amendment exempt the social security trust fund?

Mr. NUNN. Yes. There is matter making it clear that the social security trust fund is not affected by the present bill or the amendment.

Mr. CHURCH. I thank the Senator. The amendment is meritorious.

Mr. BROCK. Mr. President, I would like very much to support the amendment. The Senator from Georgia has put his finger on the enormous potential problem. It was not the intent of the committee to leave this kind of loophole. I doubt that anyone thought about the possibility of adding a new program under the section to which the Senator has addressed himself. This amendment is extremely valid, important and pertinent. Personally, I certainly hope that it will be agreed to. It is possible we may need some refinement in the language but this can be dealt with in the conference. Let us be honest. The bill today is immeasurably weaker in its approach to backdoor spending than that which came out of the Government Operations Committee. The Senator has addressed himself to the problem of regaining discipline correctly and wisely.

Mr. NUNN. Mr. President, I thank the Senator from Tennessee for those comments. I agree with everything he has

said. I emphasize that this does not affect existing trust funds but only the extension of existing trust funds. Extensions should be, in my opinion, given treatment equivalent to that given a new trust fund. That is exactly the point.

Mr. PERCY. The distinguished Senator from Georgia has once again demonstrated it is far better for us now, at this stage, to plug up every loophole and be clear about what we are trying to accomplish. I would not want to provide an incentive to structure new programs in terms of an extension of the trust fund program we have now, which would create a huge loophole and would certainly circumvent the purpose of what we are trying to accomplish. To the extent that loophole is plugged in advance, it is a great service. I favor the amendment and feel that its objective is worthy and noble.

Mr. NUNN. I thank the Senator from Illinois. I observe that the Senator from Illinois, the Senator from Tennessee, and the Senator from North Carolina and I have done what we could, through this proposal, starting a year ago, to prevent loopholes and to provide some discipline. This amendment would do exactly that, as the Senator has said.

Mr. ERVIN. Mr. President, I am constrained to oppose the amendment because this matter was worked out by the Rules Committee. While I am in hearty accord with the objectives of the Senator from Georgia, I feel compelled, under the operating circumstances, to oppose the amendment.

Mr. NUNN. Mr. President, since the amendment is not acceptable to the distinguished Senator from North Carolina, I would ask for the yeas and nays.

There was not a sufficient second.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BIDEN). The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the yeas and nays be ordered on the pending amendment.

The PRESIDING OFFICER. Without objection, the yeas and nays are ordered.

Mr. NUNN. Mr. President, unless someone else wishes to speak in favor of the amendment, I am prepared to yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I would like to say that I support the amendment. I think it is a very sound one. It represents a way to increase the amount of so-called backdoor spending which is brought under budget control.

In the debate yesterday on this bill, there was concern expressed—wisely in my view—about the growing portion of Federal outlays which escape congressional scrutiny. This amendment will assure that a sizable loophole in the budget reform bill is not created which would allow a good deal of new backdoor spending to escape the budget control mechanism.

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The PRESIDING OFFICER. All time on this amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Georgia (Mr. NUNN).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Utah (Mr. MOSS), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

I further announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 80, nays 0, as follows:

[No. 85 Leg.]

YEAS—80

Abourezk	Fannin	Mondale
Allen	Fong	Montoya
Baker	Gravel	Muskie
Bartlett	Griffin	Nelson
Bayh	Gurney	Nunn
Beall	Hansen	Packwood
Bennett	Hart	Pastore
Bentsen	Hartke	Pearson
Bible	Haskell	Pell
Biden	Hathaway	Percy
Brook	Helms	Proxmire
Brooke	Hollings	Randolph
Buckley	Hruska	Roth
Burdick	Huddleston	Schweiker
Byrd	Hughes	Scott, Hugh
Harry F. Jr.	Humphrey	Scott,
Byrd, Robert C.	Inouye	William L.
Cannon	Jackson	Sparkman
Case	Javits	Stennis
Chiles	Johnston	Stevens
Church	Magnuson	Stevenson
Clark	Mansfield	Taft
Cranston	Mathias	Talmadge
Curtis	McClellan	Tower
Dole	McGee	Tunney
Domenici	McGovern	Williams
Eastland	McIntyre	
Ervin	Metcalf	

NAYS—0

NOT VOTING—20

Aiken	Dominick	Hatfield
Bellmon	Eagleton	Kennedy
Cook	Fulbright	Long
Cotton	Goldwater	McClure

Metzenbaum	Stafford	Welcker
Moss	Symington	Young
Ribicoff	Thurmond	

So Mr. NUNN's amendment was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATHAWAY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ERVIN. Mr. President, as I stated earlier, I was opposed to the amendment simply because I thought it impinged upon the agreement we had had with the Rules Committee, but it appears that it does not. I opposed the amendment in remarks earlier, and my remarks did not convince me. Therefore, I voted yea, which is proof that I am wiser at this moment than I was earlier.

Mr. HUMPHREY. Mr. President, I call up my amendment, No. 1032.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate. We have 37 minutes remaining. We have three amendments and have promised the Senator from Arkansas 5 minutes and the Senator from Nebraska 15 minutes. How we can get it out of the remaining 37 minutes, I do not know.

The PRESIDING OFFICER. The Senate will be in order.

The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 107, after line 19, insert the following:

STUDY OF SENATE COMMITTEE JURISDICTION

SEC. 102. (a) It is the sense of the Congress that—

(1) there is a demonstrated need for the Senate, as one House of the Congress, to assert its policymaking and oversight functions;

(2) the committee structure of the Senate is so organized as to frustrate the examination, analysis, and the oversight of Government policy, program operations, and expenditures; and

(3) the enactment of this Act will place an even heavier burden upon the committees of the Senate to conduct such examination, analysis, and oversight.

(b) It is further the sense of Congress that the Joint Committee on Congressional Operations should immediately begin an indepth analysis of the committee jurisdictions of the United States Senate, taking into account the need to reduce fragmentation of policy and program oversight, the necessity for aligning committee jurisdiction according to the functional purposes of governmental programs, the potential for the application of new technologies to the operations of committee of the Senate, and the requirement that staff resources be effectively and efficiently allocated among committees of the Congress of the United States. The Joint Committee on Congressional Operations shall make periodic reports to the Senate during the course of conducting the study herein ordered, and shall make a final report containing recommendations for reform and improvement of the committee structure and operations of the Senate no later than one calendar year after the enactment of this Act.

(c) The expenses incurred by the Joint Committee on Congressional Operations in carrying out this section shall be paid from the contingency fund of the Senate upon vouchers approved by the chairman of the

Joint Committee on Congressional Operations.

Mr. HUMPHREY. Mr. President, the amendment I have called up calls for a study of Senate committee jurisdiction. I want to say now I will not call for a vote on the amendment. I do wish to make a brief statement. I have conversed with some of our colleagues in respect to the matter I have directed attention to in the amendment.

Mr. President, reform of the budget-making practices and procedures of Congress is certainly among the most significant issues likely to confront us during this session. If we succeed in passing a bill that significantly improves the methods we employ in dealing with this Nation's fiscal and budgetary needs, we will have taken a giant step toward showing the public that this is a Congress deserving of popular respect and esteem.

I sincerely hope we make this achievement. But I also hope fervently that we do not let such an accomplishment turn us smug and self-satisfied before the full job is done. While our budgetmaking machinery has long been in need of an overhaul, there are other components of this great mechanism we call Congress that also need to be improved.

I offer a brief amendment that I hope will win the approval of my colleagues, and will become a declaration of the next priority in our agenda for reform.

I speak of the committee structure of the Senate.

Mr. President, we all know that the times have long since outpaced the organizational lines by which we parcel out the work to our committees. We have no single committee to deal with energy and environmental matters. Instead, we have spread these issues in bits and pieces among nearly every committee of the Senate. I only cite this as one example of the fragmentation of responsibility over major issues.

We also have a committee structure that bears little resemblance to the organization of the agencies in the executive branch. While it may not necessarily be desirable to pattern our own structure entirely after that of the executive branch, we could certainly do a better job of arranging our committees to deal with programs and activities in the other branch in a more logical and orderly fashion.

Mr. President, the budget reform bill we are now considering would itself change our existing committee structure, by adding a Committee on the Budget in the Senate, as well as in the House of Representatives. The bill also would establish strict timetables for considering and acting upon budget matters.

I welcome the changes that have been proposed. They will substantially improve our budgetary and fiscal deliberations. But they would work much better if the committees that must coordinate their activities with the new budget committee were structured in a more efficient and logical fashion.

I do not have the blueprint for reconstructing our committee system to make it more efficient and logical. I doubt any of us in this Chamber feels he has such

a blueprint, though each of us probably has some ideas on the subject.

The best way to assemble those ideas and arrive at a workable blueprint for Senate committee reform, it seems to me, is to undertake a detailed examination of the problem in depth.

Mr. President, I have proposed such a study several times in the past. I feel it is made more urgent today, as we contemplate the strong likelihood of major revisions in our budgetmaking practices.

My amendment would order a 1-year study of our committee structure in the Senate, by the Joint Committee on Congressional Operations. I urge adoption of this amendment, to carry forward the spirit of reform that is represented by the bill before us today.

After having proposed the amendment in talking with the Senator from Montana (Mr. METCALF) I find that there would be some problem on this in the joint committee because House Members serve on that committee.

Mr. METCALF. Mr. President will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. METCALF. A similar study with the Joint Committee conducting it was proposed in the House. In spite of the rules over there, at the time Vice President Ford was minority leader, they listed the names of Senators on the Joint Committee and asked, "Do you want them to be determining House committee jurisdictions and rules?"

I think the same sort of thing would apply where Senators are concerned.

However, the Senator from Tennessee (Mr. BROCK)—who is seeking recognition—and I have appeared before the Committee on Rules and Administration and have pointed out that this is the most urgent and the most necessary reform that we need in the Senate. The problems of Committee jurisdiction and of committee structure are acute.

I compliment the Senator from Minnesota for continuing to press this matter and for bringing it forcefully to the attention of the Senate. I continue to urge that we begin now to review and make the necessary changes in Senate committee jurisdiction, structure, and operation.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BROCK. Mr. President, may I join the Senator from Montana in congratulations of the Senator from Minnesota. As one who believes in the intent and need for this amendment, I cannot support it as it is written, and I think the Senator from Minnesota can understand why. The Senator from Illinois and I have joined in urging, and the Senator from Montana has supported the effort, the Senate bring forth a special committee to make a study of this matter, but the Senator from Minnesota has brought a focus to this terrible problem. We simply cannot pass a budget reform bill without taking the next step in studying the entire committee structure and in reviewing prerogatives and responsibilities.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I withdraw my amendment, and urge the creation of the select committee that has been suggested, and also commend the Senator from Illinois (Mr. STEVENSON) for his leadership.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. HUMPHREY. Mr. President, I call up my next amendment, No. 1031.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

At the end of the bill, insert the following:

TITLE XI—CITIZENS' COMMITTEE TO STUDY CONGRESS

Sec. 1101. (a) There is established a committee to be known as the Citizens' Committee To Study Congress (hereafter referred to in this title as the "Committee") to make a complete study relating to the functions, powers, duties, and operation of the Congress.

(b) The members of the Committee shall be chosen by a selection committee composed of three members, one of whom shall be appointed by the President of the United States, one by the President pro tempore of the Senate, and one by the Speaker of the House of Representatives. Any member of the selection committee not otherwise employed by the United States Government shall receive \$100 for each day (including traveltime) that he is performing duties as a member of the selection committee. Each member of the selection committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the selection committee.

(c) The selection committee shall choose, not later than thirty days after the last member of the selection committee has been appointed, fifteen members to serve on the Committee. Not more than two of the members shall be Members of the House of Representatives; not more than two of the members shall be Members of the Senate; and not more than one of the members shall be an officer or employee of the executive branch of the United States Government. The selection committee shall designate one of the members as Chairman of the Committee.

(d) Eight members of the Committee shall constitute a quorum. Any vacancy shall be filled by the selection committee within thirty days after the vacancy occurs.

(e) Any member of the Committee not otherwise employed by the United States Government shall receive \$100 for each day (including traveltime) that he is performing duties as a member of the Committee. Each member of the Committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Committee.

Sec. 1102. (a) In conducting its study, the Committee shall—

(1) consider the role of the Congress in establishing policy for the operation of the United States Government;

(2) determine how the Congress may best exercise its function of reviewing and evaluating programs and activities of the United States Government; with emphasis on ways by which these programs and activities affect the balanced growth and development and the goals and priorities of the Nation;

(3) examine the operation of the Congress itself (including but not limited to its powers, priorities, privileges, traditions, the means by which the Congress makes decisions, its committee system, its staffs) and how existing structures might best be modified to carry out the intent of this Act;

(4) examine and consider such other matters as the Committee may deem appropriate to provide an understanding of how the Congress has operated and how the Congress should operate in the future, with particular but not exclusive attention to the role of the Congress in contributing to the achievement of a balanced national growth and development policy through Congressional fiscal, budgetary, and related procedures and practices.

(b) (1) Not later than two year after the date of enactment of this Act, the Committee shall submit a final, comprehensive report to the Senate and the House of Representatives with respect to its study. The Committee shall also make such reports, from time to time, to the Senate and House of Representatives as the Committee deems necessary. Any report of the Committee shall contain such findings, statements, and recommendations as the Committee considers appropriate.

(2) Any report of the Committee shall be printed as a public document and made available for sale to the public.

(3) Thirty days after the Committee submits its final, comprehensive report, the Committee shall cease to exist.

Sec. 1103. (a) The Committee or, on the authorization of the Committee, any subcommittee thereof, may, for the purpose of carrying out the provisions of this title, hold hearings, administer oaths for the purpose of taking evidence in any such hearings, take testimony, and receive documents and other writings. Any member authorized by the Committee may administer oaths or affirmations to witnesses appearing before the Committee, or any subcommittee thereof.

(b) In order to carry out the provisions of this title, the Committee is authorized—

(1) to appoint and fix the compensation of an Executive Director and such additional personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(2) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(3) to appoint such advisory committees as it deems necessary;

(4) to promulgate rules and regulations governing the operation of the Committee and its organization and personnel;

(5) to procure supplies and services;

(6) to enter into contracts; and

(7) to take such other action as may be necessary to carry out this title.

(c) Each department, agency, and independent agency of the executive branch of the United States Government is authorized and requested to furnish to the Committee, upon request made by the Chairman, such data, reports, and other information as the Committee deems necessary to carry out its functions under this title.

Sec. 1104. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

Mr. HUMPHREY. Mr. President, I want to take a very brief moment on this amendment. The purpose of the amendment was to follow through on what I think is essential machinery to have the Congress of the United States perform efficiently. I want to state candidly that we have to put our house in order. As we look at the public opinion polls, we see that Congress, regrettably, does not fare at all well. I am sure that it is not due to any lack of work and dedication on the part of Members of Congress, but, too often, it is due to the fact that people

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just do not understand the structure. We have that difficulty ourselves sometimes. It is my judgment that we need to be updated and modernized, not only in terms of the committee structure, but the facilities.

One simple thing we ought to have is closed-circuit television in this body, so any Senator can, for example, press a button and find out what is going on in any committee or on the Senate floor, so he can be acquainted with the work of this complex body and its large responsibilities.

Therefore, my amendment—and I am not going to press for a vote on it, but I use this opportunity to focus attention on the problem—would create a Citizens Committee to Study Congress. It would give a blue ribbon citizen's committee an opportunity to take a look at our operations and give them an opportunity to make proposals for a better congressional management and organization structure.

Mr. President, this amendment would create a citizen's committee to study Congress. The committee would be given 2 years to perform its studies, make a report and then go out of existence. Its charge would be to study the role of Congress in U.S. Government policymaking and in reviewing and evaluating U.S. Government programs and activities, and to study the operations of Congress itself. One emphasis of this study would be to improve congressional operations and activities as they relate to the Nation's long-range growth and development, goals, and priorities.

The committee members would include not more than two Senators, two Members of the House of Representatives, one representative of the executive branch, and at least 10 private citizens.

They would be selected by a committee of three members, including one chosen by the President pro tempore of the Senate, one by the Speaker of the House and one by the President of the United States.

The committee's search for ways Congress could improve its consideration and establishment of long-range national growth and development policy, goals and priorities, would be accompanied by study of a full range of other congressional procedures and practices, past and present, with the goal of recommending such reforms as the committee finds necessary.

The amendment directly connects the search for better long-range policymaking methods to the fiscal, budgetary, and related activities of Congress.

I withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. HUMPHREY. Mr. President, now I call up my amendments No. 1033.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Amendments No. 1033 are as follows:

On page 171, line 5, after "Sec. 701.", insert "(a)".

After line 14, insert the following:

"(b) To carry out such required analysis, appraisal, and evaluation, such committees

of the Senate shall each establish a subcommittee on legislative review, which shall have the duty to conduct for the committee the responsibilities assigned to the committees by this section, and to report to the committee to which each such subcommittee is responsible the results of the analysis, appraisal, and evaluation conducted under this section, together with such recommendations as the subcommittee deems appropriate.

"(c) Subsection (b) of this section is enacted as an exercise of the rulemaking power of the Senate, subject to and with full recognition of the power of the Senate to enact or change any rule of the Senate at any time in its exercise of its constitutional right to determine the rules of its proceedings. Nothing in this section shall be construed, however, as precluding any legislative review subcommittee of the Senate from conducting hearings and engaging in other deliberations jointly with such committees or subcommittees of the House of Representatives which the House may designate to conduct the analyses, appraisals, and reviews required under this title."

Mr. HUMPHREY. Mr. President, this amendment should be adopted. I know that there is resistance to it, and I understand the reason for it, by the leadership that is handling this bill. After all, the Committee on Government Operations and the Committee on Rules and Administration have done an extraordinarily good job in bringing before us the proposed budget reform legislation.

I can understand why they think nothing should be tacked on this bill, but if there is any one need, it is that we have legislative oversight and legislative monitoring of everything that this Congress authorizes in law.

Let me give an example. We have a Foreign Aid Act that many around here do not like. It is very difficult to get it through Congress. But not a single committee I know of has any legislative oversight over the Foreign Aid Act. We wait until something appears in the New York Times or in the Washington Post which states that someone says someone has been stealing money or that the money has been poorly used, that it was not well planned, and then we call in the General Accounting Office in a sort of post mortem. It is like calling in the county coroner to examine the corpse. I am not interested in the corpse; I am more interested in the live body. This body is not kept completely informed on all aspects of such legislation.

Let me give my colleagues another example. We had the occupational safety legislation, one of the most difficult pieces of legislation that we ever passed. What is going on under that legislation? The State governments are being asked by the Department of Labor to administer that act. The State governments say, "Oh, no, we do not want to do that. It is too complicated. You administer it." The State of Ohio has both the State and the Federal Governments administering it, and Congress does not know what is going on, except when a small farmer or a small businessman or someone else comes into a Senator's office and says, "My goodness, if you apply this to me, we will go out of business."

That is not the way to legislate. Some of these complaints are very highly justified.

We ought to have legislative oversight. It is said that we can do it now. Maybe we can, but we do not. Maybe some committees do.

Referring to the foreign aid program—and my good friend from Idaho (Mr. CHURCH) and our colleague from New Jersey (Mr. CASE), and many others of our colleagues have taken great interest in it—we have never, except for individual Senators having their own staffs do the work, had consistent oversight on this matter. This is wrong.

I should point out, this is not just my amendment. I apologize, because the Senator from Maryland (Mr. BEALL) is now a cosponsor of the amendment.

We have in mind basically a three-step operation. The amendment as originally proposed was not quite that good. The Senator from Maryland made significant improvements in it.

Mr. President, the amendment is designed to strengthen the provisions already included in the bill, to add to the ability of Congress to carry out its program review and oversight responsibilities.

The bill gives the standing committees the power to hire outside contractors or to rely on Government agencies to conduct review and evaluation of Government. It also authorizes the standing committees to employ such modern techniques as pilot-testing, cost-benefit analyses and trial-period evaluation.

The bill further enlarges the authority of the Comptroller General to assist and advise Congress in ways of better carrying out its program review and evaluation responsibilities.

These are excellent proposals, and I commend the drafters of this bill for their wisdom in including these provisions.

However, I believe the committees' mandate to carry out these review and evaluation duties can and should be strengthened. There should be a mechanism to assure that these duties are carried out once the Comptroller General has provided the added advice and information authorized under section 702. And we should assure that committees do, in fact, make effective use of the information and other services which they are authorized, but not required, to request under this section of the bill.

The amendment I propose would go the one step further that is needed, I believe, to fulfill the intent of the authors of this bill.

I have long advocated the establishment, in each standing committee of the Senate, of a legislative review subcommittee, to do the parent committee's program review, evaluation and oversight work.

By such a mechanism, I am convinced, we would be assured of performing the too often neglected task of keeping track of legislation after we have passed it and it has been placed in the hands of the executive branch bureaus and agencies to administer.

Numerous examples can be given of well-written laws being rewritten by the executive branch, through the administrative rules and regulations that govern the ways laws are carried out.

We can no longer be superficial in our fulfillment of our legislative oversight responsibilities. We must build into our system better guarantees that laws we pass are administered as we intended, not according to the whim of some anonymous bureaucrat's interpretation.

We must also improve our score in searching out laws that remain in effect after they have grown obsolete, so that we may either repeal or amend them to meet the needs of new times.

The historic budget reform bill we consider today recognizes these needs, by including a separate title dealing with program review and evaluation.

My amendment would guarantee that this obligation of Congress is carried out, with respect to every Federal program, at least once in every 5 years, and hopefully more often in many cases.

Mr. President, I am grateful to my distinguished colleague from Maryland, Senator BEALL, for some refinements he has suggested to my original proposal, amendment No. 1033. I have modified that amendment, which was printed in the RECORD of Tuesday's Senate proceedings, to incorporate the refinements suggested by Senator BEALL.

As modified, the amendment provides for three possible means of accomplishing the legislative review and evaluation required under title VII of the bill.

The first method, and one which we hope would be used most often, would be for the subcommittee having jurisdiction over a program to conduct the review and evaluation, with the assistance of the legislative review subcommittee established under my amendment.

If the subcommittee of jurisdiction fails, however, to review a program for which it is responsible, after 3 years the responsibility would automatically revert to the Subcommittee on Legislative Review.

And if after the fourth year, that subcommittee also fails to meet its responsibility, the General Accounting Office would be required to review and report upon the program within 1 year.

In essence, this means that every program would be reviewed once in every 3 to 5 years, a requirement which I believe to be reasonable and workable.

We would be derelict in our responsibility if we did not review programs for which we authorize and appropriate at least once in every 3 to 5 years.

There would be an intensive in-house review going on at the same time. It is my judgment that only through establishing such legislative oversight subcommittees would Senators be assured a means of meeting their oversight responsibilities to the standing committees, the Senate, and the Congress of the United States.

I yield to the distinguished Senator from Maryland.

Mr. BEALL. Mr. President, I thank the Senator from Minnesota for yielding. I shall try not to repeat what he has said, but he has made a point very well that perhaps the most important thing we should do is seek to achieve legislative oversight.

The subject of what the Senator from Minnesota has said about his amendment

and my amendment No. 1040 tries to accomplish the same thing. The Senator from Minnesota, as I understand, is going to substitute a modification.

Mr. HUMPHREY. That is correct. I shall send a modified amendment to the desk, and as a further modification, I wish to submit it on behalf of myself, the Senator from Maryland (Mr. BEALL), and the Senator from Delaware (Mr. BIDEN).

Mr. ERVIN. I have no objection to the modification.

Mr. HUMPHREY. I send it to the desk. It is already so modified, according to the amendment.

The modified amendment is as follows:

On page 171, between lines 14 and 15, insert the following:

"(b) Section 136 of such Act is amended by adding at the end thereof the following new subsections:

"(d) To carry out such required analysis, appraisal and evaluation, such committees of the Senate shall each establish a Subcommittee on Legislative Review, which shall have the duty to conduct for the committee the responsibilities assigned to the committees by this section, and to report to the committee to which each such subcommittee is responsible the results of the analysis, appraisal and evaluation conducted under this section, together with such recommendations as the subcommittee deems appropriate. In the case of a committee having one or more subcommittees to which the committee has given responsibility for considering and making recommendations with respect to subject matters within the subject jurisdiction of the committee, the Subcommittee on Legislative Review of that committee shall assist that subcommittee in reviewing and studying the application, administration, and execution of those laws, or parts of laws, which are within such responsibility. Any such subcommittee shall make a report on the results of its review and study at least once every three years. In the event the subcommittee has not made a report within a three-year period, the Subcommittee on Legislative Review of the committee shall make such review and study, and submit a report thereon to the committee, not later than one year after the subcommittee having such responsibility was to have made such report. In the case of any subject matter not within the responsibility of any particular subcommittee of the committee, the Subcommittee on Legislative Review of that committee shall make such review and study with respect to such subject matter and submit a report thereon to the committee not less than once every third year.

"(e) In any case in which the Subcommittee on Legislative Review has not submitted a report to be prepared by it under subsection (a) of this section, within the period of time provided in that subsection, the Comptroller General shall, within one year after the last day on which the subcommittee report was to have been submitted, make such study and report the subcommittee was to have made, and submit a report thereon to the committee.

"(f) The provisions of this section do not apply to the Committee on Appropriations of the Senate.

"(g) Subsections (d) and (f) of this section are enacted as an exercise of the rulemaking power of the Senate, subject to and with full recognition of the power of the Senate to enact or change any rule of the Senate at any time, in its exercise of its Constitutional right to determine the rules of its proceedings. Nothing in this section shall be construed, however, as precluding any Legislative Review Subcommittee of the Senate from conducting hearings and engaging in other deliberations jointly with such committees or subcommittees of the House

of Representatives which the House may designate to conduct the analyses, appraisals, and reviews required under this title."

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MAGNUSON. The purpose of my objection to the amendment is that we already have authority to do what it proposes. As a matter of fact, the Committee on Government Operations was created for this purpose in the beginning.

I think the needed reform is to look at committee jurisdiction. Any bill that is introduced could, technically, go to the Government Operations Committee, if we want to stretch it a little bit. But I think that if committees would do their job, it would not be necessary to do what is proposed. They are supposed to follow through and conduct oversight. When they do not follow through, there can be a good deal of delay.

I suppose that if I wanted to, I could stretch the jurisdiction if the Committee on Interstate Commerce to include everything. Everything is in interstate commerce nowadays, is it not?

Mr. HUMPHREY. Just about.

Mr. MAGNUSON. We could claim jurisdiction if a bill affected the environment. The Committee on the Judiciary could take a bill relating to interstate commerce which included a fine for a violation. The Judiciary Committee would say, "Oh, we have to take a look at that."

I think the most pertinent reform we must have—and maybe a special committee should do this—is to reform the jurisdiction of the regular committees.

The PRESIDING OFFICER. The Senator from Maryland has the floor.

Mr. BEALL. Mr. President, it is my pleasure to serve on the Commerce Committee under the leadership of the distinguished Senator from Washington. I know that the committee is doing an excellent job on oversight, but I submit that there is a difference between having hearings and submitting a report on progress.

I certainly believe that it is imperative that we improve legislative oversight. However, I do not believe any of us are pleased with the results under the Legislative Reorganization Act.

The bill reported by the Government Operations Committee, as I understand it, would have adopted the zero budget concept. Under this concept, all programs would expire at the end of a 3-year period and reexamination and reevaluation would be forced.

The reported bill by the Rules Committee eliminated this provision because they felt that although the provision was laudable, "a uniform 3-year limit could disrupt the operations of Federal agencies and impose a large workload on congressional committees." The bill I introduced on the budget, S. 758, the Congressional Budget Control and Oversight Improvement Act, contains a provision which, I believe, would represent a middle ground, yet assure that the evaluation and oversight functions are, in fact, met.

The reported bill, like the 1970 Reorganization Act, is also laudable and cer-

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tainly contemplates additional review. However, I do not believe that the bill provides the mechanism for achieving that goal. Therefore, the amendment I offer now would guarantee that the vital oversight function of the Congress would be accomplished.

It is aimed at assuring that an adequate, not a cursory review is made by the legislative committees in the Congress. It would do this by requiring each standing committee of the House and the Senate to establish a Subcommittee on Legislative Review. When a committee already has a subcommittee, with the responsibility with respect to a subject matter, that subcommittee, assisted by the Legislative Review Subcommittee, may evaluate the program or legislation.

However, if the subcommittee having jurisdiction failed to evaluate and make a report of its review and study at least once every 3 years, the Subcommittee on Legislative Review would then be mandated to conduct a review.

To make it absolutely certain that a review would be forthcoming, in any event, once every 5 years, the General Accounting Office would be required to make a study and report to the appropriate committee and the Congress if the review had not been done by either the appropriate subcommittee or the new Legislative Review Subcommittee, by the end of the fourth year.

I urge the adoption of this this amendment.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

The Senator from North Carolina (Mr. ERVIN) has 3 minutes on the amendment.

Mr. ERVIN. Mr. President, I ask the Senate to reject the amendment simply because it has nothing whatsoever to do with this bill, which seeks to legislate. This amendment would amend the Senate rules. It ought to be in the form of a resolution. Let the Committee on Rules and Administration study it, for the amendment would change the rules of every Senate committee.

I hope that the Senate will not let it ride piggyback on this piece of legislation.

Mr. BROCK. Mr. President, I support the idea presented by the Senator from Minnesota. The intent of S. 1541, as reported by Government Operations was to require recurrent evaluation. Title VIII in that bill required that major outlay programs not funded at least in part by user taxes would be subject to a 3-year limitation on authorization. Reauthorization of a program would have followed only after a thorough evaluation of its effectiveness. Since social security, unemployment compensation, highway, airport and other trust fund financed programs were excepted, about two-thirds of the total budget would have been subject to this limitation.

The purpose of title VIII was to build the concept of "zero-based budgeting" into the congressional budgetary process. New legislative initiatives should be considered on an equal footing with established program. At present, there is an automatic bias operating on behalf of continued funding of programs even if

they have failed to achieve their objectives or if priorities have changed. This bias can be overcome by subjecting ongoing programs to periodic evaluation and analysis in order to determine whether it is achieving its purposes in an effective manner. Such an analysis would allow for explicit comparison of established program with alternatives. Thus, zero-based budgeting is an essential element of the budgetary process. Legislative review subcommittees could carry out such an important function.

The call for regular program evaluation is certainly essential to the fulfillment of the Congress' oversight responsibility. Program administrators must be called upon to justify their programs on a continuing basis.

The creation of review subcommittees would encourage the authorizing committees to exercise greater control over continuing programs. Greater control in this instance should increase the powers of these committees to expand successful programs and end unsuccessful programs or those programs that have fulfilled their objectives. Authorization limits would also have aided in this attempt.

The new subcommittees would insure that new and innovative programs would be much more common. As old programs are ended—which is rarely the case, today—new programs can begin. Subcommittees would be able to make the consideration which do not tend to be made today when no one is responsible and programs are protected by unlimited or long-term authorizations.

Mr. President, I ask unanimous consent that the Library of Congress study by Joseph E. Cantor, entitled "Examples of Major Federal Programs Affected by Title VIII of S. 1541, the Senate Budget Reform Bill," be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

EXAMPLES OF MAJOR FEDERAL PROGRAMS AFFECTED BY TITLE VIII OF S. 1541, THE SENATE BUDGET REFORM BILL AS REPORTED BY THE SENATE GOVERNMENT OPERATIONS COMMITTEE ON NOVEMBER 20, 1973

(Research by Joseph E. Cantor)

(From Government and General Research Division, Kenneth E. Gray, Division Chief)

In accord with your instructions, we have prepared the attached report which indicates how Senate committees and the programs and agencies under their jurisdiction might be affected by Title VIII of S. 1541, as reported from the Senate Government Operations Committee on November 20, 1973. The list of programs by authorizing committee, along with other pertinent information, can probably be better understood by an explanation of our research procedure.

Title VIII provides for a three-year limit on authorization of all major Federal programs. We agree that the Congressional Research Service would provide examples of major Federal programs which would be affected by the three-year limit, listed under the authorizing committees which have jurisdiction over them. The listing we have prepared goes beyond this to provide a fairly complete list of the status of all authorizations, including those which are for three years or less and therefore would not be directly affected by Title VIII.

While "major" is clearly defined in the legislation as involving the expenditure of \$100,000,000 or more in a three year period,

"program" is not defined either in the bill or the committee print. Consequently there is room for disagreement over what actually constitutes Federal programs; activities, agencies, or other budgetary categories. As a general rule, the funds for most agencies (ordinarily for the salaries and operating expenses of the agency) are permanently authorized by the legislation which created them. In some cases, we distinguished between an agency, the funds for which are permanently authorized, and some of its programs, which have limited terms of authorization.

In classifying major programs, we relied primarily on the 1974 Federal Budget. We defined as "major" all Budget Accounts with "budget authority" proposed for fiscal year 1974 in amounts of approximately \$33 million or more (thereby producing an estimate of \$100 million over three years). We dealt only with Federal funds, and excluded trust funds such as the Highway and Social Security Funds.

In some cases we combined several entries under a category or subcategory of an agency to reflect a \$33 million-plus program; in others we employed the most detailed entry (provided it met the \$33 million minimum) if it alone seemed to constitute a program apart from the other entries in the category. In each case the purpose was to have a reasonably consistent definition of programs.

Assigning major programs to the Senate Committees with jurisdiction over them also presented some difficulties. When questions arose over a program's slot, we checked with the Senate Parliamentarian's Office or with committee staff members. We should caution, however, that some programs matched with a given committee may also contain funds for subprograms within the scope of another committee.

To determine the length of authorization of program, we contacted committee staff or budget or information offices in the agencies. While this approach was dependent on human judgment, it afforded us the possibility to cover the greatest amount of ground in a relatively short period of time. Only in cases of serious questions or incongruous information did we check the actual statutes.

Considerable difficulty was encountered in determining what constitutes an authorization and its duration. One reason is that authorizations come in many forms and that in some of the forms there may not be a clearcut distinction between the authorization and appropriation stages. A second problem occurs when the authorization is permanent but its effective operation is dependent upon the availability of funds. Thus the authorization may be without limitation of time, but when there is a money limit the permanence may have little effect. A third problem is that certain programs and their specifications may be intertwined with one another so that the operation of one program is contingent upon meeting conditions set in some other program.

We hope that the information set forth will be of value to you. Should you desire further investigation or clarification of any aspect of this work, please do not hesitate to contact us.

COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

ACCOUNT AND AUTHORIZATION

National Aeronautics and Space Administration:

Research and Development, 1 year.

Construction of facilities, 1 year.

Research and program management, 1 year.

COMMITTEE ON AGRICULTURE AND FORESTRY

ACCOUNTS AND AUTHORIZATION

Agriculture Departmental Management, permanent.

Agriculture Research Service, permanent.

Animal and Plant Health Inspection Service, permanent.
 Cooperative State Research Service, permanent.
 Extension Service, permanent.
 Agricultural Economics, permanent.
 Foreign Agricultural Service, permanent.
 Foreign Assistance and Special Export Programs, 4 years.
 Agricultural Stabilization and Conservation Service, permanent.
 Commodity Credit Corporation. Price Support—Reimbursement for Net Realized Losses most (i.e.—wheat, feed grain programs) are 4 years authorizations; some are permanent however, primarily 4 years.
 National Wool Act, 4 years.
 Rural Electrification Administration, permanent.
 Farmer's Home Administration:
 Salaries and Expenses, permanent.
 Agriculture Credit Insurance Fund, permanent.
 Rural Development Insurance Fund, permanent.
 Soil Conservation Service, permanent.
 Agriculture Marketing Service, permanent.
 Forest Service, permanent.
 Child Nutrition Programs:
 School lunch, permanent.
 Free and reduced-price lunch, permanent.
 School breakfast, 2 years.
 Special food service, 2 years.
 Food Stamp Program, 4 years.

COMMITTEE ON ARMED SERVICES ACCOUNT AND AUTHORIZATION

Military Personnel, permanent.
 Retired Pay, Defense, permanent.
 Operations and Maintenance, permanent.
 Procurement, 1 year.
 Research and Development, 1 year.
 Military Construction, 1 year.
 Family Housing, 1 year.
 Civil Defense, permanent.
 Allowances, permanent.
 Canal Zone Government—operating expenses, permanent.
 Selective Service, permanent.

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

ACCOUNTS AND AUTHORIZATION

Housing and Urban Development, Department Management, permanent.
 Research and Technology, permanent.
 Securities and Exchange Commission, permanent.
 Homeownership Assistance—Section 235, permanent.
 Rental Housing Assistance—Section 236, permanent.
 Rent Supplemental Program, permanent.
 Low-rent Public Housing, permanent.
 Comprehensive Planning Grants, permanent.
 Urban Renewal Fund, permanent.
 Federal Housing Administration Fund, 1 year.
 Small Business Administration:
 Loan and Investment Fund, permanent.
 Disaster loan fund, permanent.

COMMITTEE ON COMMERCE ACCOUNT AND AUTHORIZATION

General Administration (Commerce Dept.), permanent.
 Domestic and International Business Administration (Salaries), permanent.
 Patent Office, National Bureau of Standards, National Technical Information Service, Office of Telecommunications, permanent.

¹Although this program has permanent authorization, there is a dollar-limit and an additional authorization is required if the payment is to exceed that limit.

Maritime Administration:
 Ship Construction, 1 year.
 Operating—Differential Subsidies, 1 year.
 Operations and Training, 1 year.
 Office of the Secretary (Transportation Dept.), permanent.
 Coast Guard, 1 year.
 Federal Aviation Administration, permanent.
 Civil Aeronautics Board, permanent.
 Consumer Product Safety Commission, permanent.
 Corporation for Public Broadcasting, 1 year.
 Federal Communications Commission (salaries and expenses), permanent.
 Federal Trade Commission, permanent.
 Interstate Commerce Commission, permanent.
 Federal Power Commission, permanent.

COMMITTEE ON DISTRICT OF COLUMBIA

ACCOUNT AND AUTHORIZATION

Federal Payment to D.C., permanent.
 Loans to D.C. for capital outlay, permanent.
 Repayable Advances to D.C. general fund—Permanent, indefinite, permanent.
 Washington Metropolitan Area Transit Authority, permanent.

COMMITTEE ON FINANCE

ACCOUNT AND AUTHORIZATION

Bureau of Customs, permanent.
 Bureau of the Public Debt, permanent.
 Internal Revenue Service, permanent.
 Interest on the Public Debt, permanent.
 General Revenue Sharing, 5 years.
 Sugar Act Program, permanent.
 Treasury Department:
 Office of the Secretary, permanent.
 Bureau of Accounts, permanent.
 Bureau of Alcohol, Tobacco, and Firearms, permanent.
 Secret Service, permanent.
 Social and Rehabilitation Services. Grants to States for public assistance: Public Assistance (Aid to Families with Dependent Children), permanent.
 Grants to States for public assistance: Providing or financing medical services (Medicaid), permanent.
 Grants to States for public assistance: Social and individual services, permanent.
 Work Incentives, permanent.
 Social Security Administration. Payments to S.S. Trust Funds: Providing or financing medical services, permanent.
 Payments to S.S. Trust Funds: Retirement and Social Insurance, permanent.
 Supplemental security income program, permanent.

COMMITTEE ON FOREIGN RELATIONS

ACCOUNT AND AUTHORIZATION

International Security Assistance:
 Military Credit Sales to Israel, 1 year.
 Military Assistance, 1 year.
 Foreign Military Credit Sales, 1 year.
 Security Supporting Assistance, 1 year.
 Multilateral Assistance:
 International Financial Institutions, 1 year.
 International Organizations and Programs, 1 year.
 Bilateral Assistance:
 Grants and other programs, 2 years.
 Alliance for Progress (Development loans), 2 years.
 Development loans (Revolving fund), 2 years.
 Overseas Private Investment Corporation, permanent.

¹Although this program has permanent authorization, there is a dollar-limit and an additional authorization is required if the payment is to exceed that limit.

President's Foreign Assistance Contingency Fund, 2 years.
 State Department Administration, 1 year.
 International organizations and conferences, 1 year.
 Educational Exchange, 1 year.
 Peace Corps, ACTION international programs, 1 year.
 U.S. Information Agency, 1 year.
 International Radio Broadcasting activities, 1 year.

COMMITTEE ON GOVERNMENT OPERATIONS ACCOUNT AND AUTHORIZATION

General Services Administration, permanent.
 General Accounting Office, permanent.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS ACCOUNT AND AUTHORIZATION

Bureau of Land Management:
 Management of lands and resources, permanent.
 Payments to counties, Oregon and California land grants, permanent.
 Payments to States from receipts under Mineral Leasing Act, permanent.
 Bureau of Indian Affairs:
 Educational Assistance, facilities and services, permanent.
 Welfare and guidance services, permanent.
 Employment assistance, permanent.
 Resources management, permanent.
 Construction, permanent.
 Road construction: permanent contract authority (under Highway Act), 2 years.
 Alaska Native Claims, 11 years.
 Bureau of Outdoor Recreation:
 Land and water conservation: assistance to States, 25 years.
 Land and water conservation: Federal programs, 25 years.
 Trust Territory of the Pacific Islands, 2 years.
 Geologic Survey, Topographic surveys and mapping, permanent.
 Geological and mineral resource surveys and mapping, permanent.
 Water resources investigations, permanent.
 Bureau of Mines: Mineral Resources Development, permanent.
 Office of Coal Research, permanent.
 Bureau of Sport Fisheries and Wildlife:
 Wildlife resources (Resource management), permanent.
 Federal aid in Wildlife restoration, permanent.
 National Park Service: Park management, permanent.
 Bureau of Reclamation:
 Central Valley project, California, permanent.
 Pick-Sloan Missouri Basin program, permanent.
 Bonneville Power Administration:
 Construction, permanent.
 Operations and maintenance, permanent.
 Office of the Secretary (Interior Dept.), permanent.

COMMITTEE ON JUDICIARY ACCOUNT AND AUTHORIZATION

Federal Judiciary, permanent.
 Legal Activities and General Administration (Justice Dept.), permanent.
 Federal Bureau of Investigation, permanent.
 Immigration and Naturalization Service, permanent.
 Federal prison system, permanent.
 Law Enforcement Assistance Administration, 3 years.

COMMITTEE ON LABOR AND PUBLIC WELFARE ACCOUNT AND AUTHORIZATION

Office of the Secretary—Health, Education and Welfare, permanent.

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Food and Drug Administration, permanent.
Health Services and Mental Health Administration:

Mental Health:
General Mental Health, 1 year.
Drug Abuse, primarily 1 year.
Alcoholism, primarily 1 year.
Health Services Planning and Development:
Health Services Research and Development, 1 year.
Comprehensive Health Planning, 1 year.
Medical Facilities Construction, 1 year.
Health Services Delivery:
Comprehensive Health Services, 1 year.
Maternal and Child Health, 1 year.
Family Planning, 1 year.
Patient Care and Special Health Services, 1 year.

Indian Health Services—Patient Care, permanent.
Indian Health Facilities, permanent.
National Institutes of Health (exceptions are National Cancer Institute and National Heart and Lung Institute), largely permanent.
Public Health Service Hospitals, permanent.

National Institute of Education, 4 years.
Office of Education:
Elementary and Secondary Education, 3 years.
Emergency School Assistance, 3 years.
School Assistance in Federally Affected Areas:

Part A Impact Aid, permanent.
Others, 3 years.
Education for the Handicapped, 3 years.
Vocational and Adult Education, 4 years.
Higher Education (Land Grant Colleges—permanent), 4 years.

Student Loan Insurance Fund, 4 years.
Howard University, permanent.
Manpower Revenue-sharing, 3½ years (currently).
Federal unemployment benefits and allowances, permanent.

Federal grants to states for employment services, permanent.
Employment Standards Administration:
Salaries and Expenses, permanent.

Federal Civilian Employees' benefits, permanent.
Occupational Safety and Health Administration, permanent.

Bureau of Labor Statistics, permanent.
Department of Labor-Management, permanent.

Action—operating expenses, domestic Programs, 3 years.
Equal Employment Opportunity Commission, permanent.

National Labor Relations Board, permanent.
National Endowment for the Arts and Humanities, 3 years.

National Science Foundation, 1 year.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

ACCOUNT AND AUTHORIZATION

Records Activities—National Archives, permanent.

Civil Service Commission:
Salaries and Expenses, permanent.
Government payment for annuitants, employee health benefits, permanent.

Payment to civil service retirement and disability fund, permanent.

Payment to Postal Service Fund, 2 years.

COMMITTEE ON PUBLIC WORKS

ACCOUNT AND AUTHORIZATION

Disaster Relief Fund (now under Federal Disaster Assistance Administration), permanent.

¹ Although most programs under this agency are currently extended for one year their usual length of authorization is multi-year.

Environmental Protection Agency (Clean Air Act, Encouraging development of low emission vehicles, and other programs have 3 year authorizations), permanent.

Public Buildings Service, permanent.
Appalachian Regional Development Programs (except for highway programs which are 5 years), 4 years.

COMMITTEE ON RULES AND ADMINISTRATION ACCOUNT AND AUTHORIZATION

Senate, permanent.
Legislative Branch—joint items, permanent.

Library of Congress, permanent.
Government Printing Office, permanent.
Smithsonian Institutions, permanent.

COMMITTEE ON VETERAN' AFFAIRS ACCOUNT AND AUTHORIZATION

Veterans' Administration:
Veterans' service-connected compensation, permanent.

Veterans' non-service-connected pension, permanent.
Other veterans' income security programs, permanent.

Readjustment benefits, permanent.
Medical care, permanent.
Medical and prosthetic research, permanent.

Medical administration and miscellaneous operating expenses, permanent.

General operating expenses, permanent.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I dislike to object to the amendment offered by the distinguished Senator, but I do agree with the distinguished Senator from North Carolina that the amendment would change the standing rules of the Senate. The Senator may have already submitted a resolution on this subject before.

As chairman of the subcommittee which has jurisdiction, I will hold hearings. I shall be glad to hold hearings on the resolution and let him know when that will be, so that he can notify those who wish to support such a resolution. If we are going to change the standing rules, I should like to see the Committee on Rules and Administration at least have a chance to consider the matter. If we start doing it on the floor of the Senate we are going to get ourselves into bad shape. I would hope that the Senator from Minnesota would not propose this amendment in the Senate.

Mr. HUMPHREY. May I ask my associate on the amendment, the Senator from Maryland, what his view is?

Mr. BEALL. I think it is a reasonable request. This is a specific commitment to get the job done in a specific period of time.

Mr. HUMPHREY. I have always found the distinguished Senator from West Virginia to be a man of his word; not only that, a man of action. I do not want to delay matters. There is some truth in the fact that the amendment proposes a change in the rules. I assure the Senator

from West Virginia that I will introduce a resolution, with cosponsors. Therefore, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Under the previous order, the Senator from Florida is recognized.

AMENDMENTS NO. 1056

Mr. CHILES. Mr. President, I call up my amendments No. 1056, for myself, the Senator from New York (Mr. JAVITS), the Senator from Maine (Mr. MUSKIE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Utah (Mr. MOSS).

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk proceeded to read the amendments.

Mr. CHILES. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with and that the amendments be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments, ordered to be printed in the RECORD, are as follows:

On page 168, line 3, strike out the closing quotation marks, and between lines 3 and 4, insert the following:

"(i) The Budget transmitted pursuant to subsection (a) for each fiscal year, beginning with the fiscal year ending September 30, 1979, shall contain a presentation of budget authority, proposed budget authority, outlays, proposed outlays, and descriptive information in terms of—

"(1) a detailed structure of national needs which shall be used to reference all agency missions and programs;

"(2) agency missions; and

"(3) a summary of agency programs with a description of basic program steps to be provided directly by the agencies to the appropriate committees of Congress to the extent applicable to agency activities.

"(j) To assist the President in carrying out the provisions of subsection (i), and to the extent practicable—

"(1) each agency shall furnish information in support of its budget requests in accordance with its assigned missions in terms of Federal functions and subfunctions, including mission responsibilities of component organizations; and

"(2) each agency shall relate all programs to agency missions and shall furnish information to describe the program step being executed and for which budget authority is being requested or outlays made to the extent applicable to agency activities.

"(k) For purposes of subsections (i) and (j)—

"(1) The term 'national needs' means those Federal functions and subfunctions which are, at a given time, being performed by the Government in order to provide for the well-being of the Nation. National needs (functions and subfunctions) describe the purposes being served by budget authority and outlays without regard to the means that may be chosen to meet those purposes.

"(2) The term 'agency missions' means those responsibilities for meeting national needs which may be variously assigned to the agencies of the executive branch. Agency missions can be expressed in terms of those functions or subfunctions which may be, at a given time, the responsibility of that agency and its component organizations.

"(3) The term 'program' means, to the extent applicable to agency activities, that organized set of activities and actions which may be undertaken by an executive agency in order to solve a particular problem, meet a particular objective, and achieve a par-

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ticular set of goals directly related to fulfilling that agency's mission responsibilities and which, over the course of the program, entails significant expenditures of resources.

"(4) The following are four of the basic steps in the process by which new programs, or major modifications to existing programs, are formulated and executed:

"(A) 'Establishing needs and goals' means defining the particular problem to be solved and the objective measures of the end results, or goals, to be sought and attained as a consequence of the program. Goals describe the level of mission capability the agency is seeking, when it is to be made available, and the total cost within which that capability is to be provided without regard to the means used to achieve those results.

"(B) 'Exploring alternatives' means the creation, definition, and evolution of competing means to solve a particular problem, drawing on the base of technology in order to identify and evolve those approaches that are promising, to eliminate those that are not promising, and to supply information on the expected costs and benefits of each approach.

"(C) 'Choosing the preferred program approach' means the evaluation and choice of the preferred program approach from among remaining alternatives. The evaluation will determine which approach will best meet the updated goals of the program and the costs and benefits accruing to each alternative in meeting the agency's mission.

"(D) 'Implementation' means putting the preferred program approach into operation and monitoring its effectiveness, including final development preparation of the chosen approach, operational support and maintenance, and modification based on review of program effectiveness."

On page 182, line 14, before the period insert "and section 201 (i), (j), and (k) of such Act (as added by section 601) shall apply with respect to the fiscal year beginning on October 1, 1978, and succeeding fiscal years".

Mr. CHILES. Mr. President, the detailed justification for these amendments was included in my floor statement on Wednesday, March 20. Since that time, we have worked out additional language modifications to further improve the amendments so that they would be acceptable to all concerned parties.

I would like to reiterate the importance of the amendments.

They are designed to strengthen congressional control over the budget, national priorities, and—in particular—Federal programs by providing a framework of budget information that builds on end-purpose—or functional—categories; ties in agency programs; and exposes key steps in program evolution.

The amendments would require, beginning in fiscal year 1979, budget information to:

First. Clearly identify the separate public needs that warrant major Federal expenditures; to have proposed expenditures in the Federal budget related to these public needs and to permit the Congress to adjust the proposed expenditures in accordance with its own view of national priorities;

Second. Provide a bridge in the Federal budget between public needs and the various agency programs intended to satisfy those needs; and

Third. To institute for such programs a framework of program step information to improve congressional oversight,

a framework to permit the Congress to participate more effectively in the policy decisions that initiate new programs and to ask questions about the conduct of such programs which will influence their decision, performance, and ultimate costs.

Let me briefly summarize the support for the amendments.

First. The amendments program control framework was recommended by the Congressional Procurement Commission after 2½-year study. Commissioners included Senators JACKSON, GURNEY, and myself, as well as Congressmen HOLIFIELD and HORTON, and the Comptroller General.

Second. The amendments incorporate substantial changes in response to OMB, GAO, and congressional suggestions for improvement.

Third. Secretary Schlesinger has supported this mission planning framework in testimony this year and is moving to implement it already in the Defense Department.

Fourth. The program framework was endorsed by the Interagency Steering Group, including representatives from Department of Defense, National Aeronautics and Space Administration, Atomic Energy Commission, Department of Transportation, and National Science Foundation.

Fifth. The Comptroller General has supported this approach and said it was consistent with the work being performed by the General Accounting Office under the Legislative Reorganization Act of 1970.

Sixth. A comparable planning framework was endorsed by Elliot Richardson to reform Department of Health, Education, and Welfare planning and programs in 1972.

Seventh. The need for this kind of information has been confirmed by staff of Senate Appropriations and Commerce; House Government Operations, Education, and Labor; and other Committees in a General Accounting Office survey.

Eighth. Finally, the amendments would encourage business competition and the application of new technology to meet public needs by regularly questioning how alternatives were being explored in Federal programs.

In summary, the amendments—build upon the functional and subfunctional categories that are already included in the President's budget; ask for a bridge to agency programs related to the functions; and ask for information on what stage each program is at.

Information in the last two areas is not now furnished to the Congress or its committees in a regular, consistent fashion. To relieve Office of Management and Budget of the burden of consolidating program information, the amendments were revised to permit the individual agencies to submit it directly to their counterpart committees.

The prime intent of these amendments is to provide a simplified framework for all the fragmented information Congress now gets, a simplified tabulation of functions—the purpose for which we are spending the taxpayer's money—identification of related agencies' programs; and which basic step was being per-

formed, with description of how the step was proceeding going to the concerned committees. This is hardly voluminous and, most important, would make the rest of the data more meaningful and manageable.

The four basic steps naturally evolve on any program but occur only once and frequently years apart. Certainly our committees have the ability and time to track four crucial turning points in any program.

I want to thank the distinguished Senators from North Carolina (ERVIN), Montana (METCALF), Illinois (PERCY), Maine (MUSKIE), New York (JAVITS), Louisiana (JOHNSTON), and Utah (MOSS) for their cooperation and support in developing these amendments. Their insight and suggestions have been invaluable.

Mr. ERVIN. Mr. President, we are perfectly willing to take the amendments to conference.

I yield back the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. ROBERT C. BYRD. Mr. President, I believe there are no more amendments. I ask that the Chair proceed to third reading and then recognize the distinguished Senator from—I am sorry; I am aware now of another amendment.

Mr. CURTIS. Mr. President, is there another amendment to be considered?

Mr. ROBERT C. BYRD. Yes.

Mr. CURTIS. Mr. President, in light of the fact that there is another amendment pending, I shall take only 2 or 3 minutes, and then yield back the remainder of my time. I am aware of our time schedule, and I am happy to do it.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. CURTIS. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent, due to the fact that there is a comparable House bill on the calendar, and that after third reading is reached unanimous consent will be requested to proceed to the consideration of the House bill and substitute the Senate language, that the vote that was heretofore ordered on the Senate bill be transferred to make it a vote on the House bill instead of the Senate bill.

The PRESIDING OFFICER. At 2 o'clock?

Mr. ROBERT C. BYRD. Yes, under the same order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CURTIS. Mr. President, this bill and all of the effort that has gone into it has some very fine aspects in focusing the attention of Congress on the budget. It contains procedural changes that I think are advisable, in that we look at the whole budget at once, and for that reason I commend those Senators who have worked so diligently on this measure.

I wish to point out, however, that to most of us budget reform means a balanced budget, living within our means.

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The disciplines to bring that about are not in this measure.

And, Mr. President, that cannot be done by statute. We cannot bind another Congress. They could not only repeal what is about to be enacted, but they could totally ignore it. I call attention to the fact that we have a statute that says Congress shall adjourn on a certain date. We do not adjourn. Any time after this measure becomes law, at any stage in the proceedings, an individual Member can offer anything he wants to, and if it is enacted it is a statute; it is on the same level as this law, and the last act prevails.

Therefore, Mr. President, the only way we can ever have budget reform in the nature of a balanced budget is to write such a procedure into the Constitution, and I have such a proposal. I shall not offer it today, but here is what it provides: It provides that if we spend more than we take in, an automatic surtax is imposed. If we spend 3 percent more than we take in, a 3-percent surtax, 10 percent more, a 10-percent surtax, and so on. It would compel a balanced budget.

I realize that there are times when, in grave national emergency or upon a declaration of war, we must use the credit of the United States. So this proposal provides that Congress, by a three-fourths vote, can set aside such a proposal for a year at a time, and then do it again.

Mr. President, that will bring about a balanced budget. I realize that there are many people who favor more Government than I do. I respect them in that position, but I also suggest that we pay for it. There is no reason why we should charge the current cost of Government to our children and grandchildren any more than we should charge our groceries or other expenses of living to them. We should pay for our Government as we go along.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point Senate Joint Resolution 142, which has been introduced by myself, Mr. HRUSKA, Mr. FANNIN, Mr. GOLDWATER, Mr. HELMS, and Mr. WILLIAM L. SCOTT.

There being no objection, the joint resolution (S.J. Res. 142) was ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

“ARTICLE —

“SECTION 1. On or before the fifteenth day after the beginning of each regular session of the Congress, the President shall transmit to the Congress a budget which shall set forth separately—

“(1) his estimate of the receipts of the Government, other than trust funds, during the ensuing fiscal year under the laws then existing;

“(2) his recommendations with respect to outlays to be made from funds other than trust funds during such ensuing fiscal year; and

“(3) if such recommendations exceeds such estimate, a surtax rate which the President determines to be necessary to be applied with respect to the income tax of taxpayers to those portions of taxable years of taxpayers occurring during such fiscal year, so that such receipts will equal such outlays.

Such surtax shall be effective and so applied to such fiscal year except as otherwise provided in section 2 of this article.

“SEC. 2. During the first quarter of each fiscal year, and during the third quarter of each fiscal year, the Speaker of the House of Representatives shall—

“(1) estimate the receipts of the Government, other than trust funds, during such fiscal year;

“(2) estimate outlays to be made from funds other than trust funds during such fiscal year; and

“(3) (A) if such estimate of outlays exceeds such estimate of receipts, determine a surtax rate which the Speaker considers necessary to be applied, with respect to the income tax of taxpayers, to those portions of taxable years of taxpayers remaining in such fiscal year, so that such receipts will equal such outlays; or

“(B) if such estimate of outlays equals such estimate of receipts, determine that no surtax rate is necessary to be applied.

Any such determination shall be effective, and so applied, with respect to the remainder of such fiscal year commencing on the first day of the first month commencing at least thirty days after such determination by the Speaker. The surtax rate determined by the President under section 1 of this article shall not thereafter be applied commencing with such effective date.

“SEC. 3. During the last month of each fiscal year, the President shall review whether the receipts of the Government, other than trust funds, for such year will be less than the outlays other than trust funds for that fiscal year. If he finds that such receipts are going to be less than such outlays, he shall determine a surtax rate which he considers necessary to be applied with respect to the income tax of taxpayers, so that taxes received by the Government from such surtax, when added to other receipts of the Government, will equal such outlays. Such surtax shall be effective, and so applied, as determined by the President only during the next succeeding fiscal year. The surtax effective and applied under this section is in addition to any other surtax that may be effective and applied under this article and may not be superseded or modified under section 1 or 2 of this article.

“SEC. 4. The provisions of sections 1, 2, and 3 of this article may be suspended in the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress) by a concurrent resolution, agreed to by a rollcall vote of three-fourths of all the Members of each House of Congress, with each such resolution providing the period of time (not exceeding one year) during which those provisions are to be suspended.

“SEC. 5. This article shall take effect on the first day of the calendar year next following the ratification of this article.

“SEC. 6. The Congress shall have power to enforce this article by appropriate legislation.”

Mr. CURTIS. Mr. President, I hope that the Senate will give serious consideration to a budget reform that will work, that will bind the Congress. There will be another day. I shall have more to say about it then.

I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, on behalf of the Senator from West Virginia, the distinguished majority whip (Mr.

ROBERT C. BYRD), and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 109, beginning in line 13, after the words “The Director shall receive the same compensation as” strike the remainder of the paragraph thru line 17, and insert “The Secretary of the Senate. The Deputy Director shall receive the same compensation as the highest salary that can be paid to the Administrative Assistant of a U.S. Senator.”

Mr. GRIFFIN. Mr. President, I regret, in a way, that this amendment has to be offered, but the Senate having voted down the amendment of the Senator from Mississippi (Mr. STENNIS) which would have adjusted the salaries of officers of the Senate and allowed salaries of such people as the Secretary of the Senate, and so forth, to be increased somewhat, the question that we have before us is really two-fold: Do we want to pay the Director of this new office that would be set up under this bill the same salary as a U.S. Senator? Because that is the way it is provided in the bill: \$42,500.

I do not think that any employee working for the U.S. Senate should receive the same salary as a Senator. The question, then, is how much less should he receive?

There is a strong feeling that he should not receive any more than the highest paid official of the Senate staff at the present time, and that is the Secretary of the Senate. Unfortunately, the Secretary of the Senate is now paid only \$36,000.

If we are only going to pay him \$36,000, then we should only pay, in my opinion, the director of this budget office, whatever it is, that same salary. In the future, when we adjust the salaries of Senators, Representatives, and these others, obviously we ought to adjust the salary of the budget director, and I shall be one of the first to join in the effort to do that.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. BROCK. Mr. President, I could not more vehemently disagree with the Senator from Michigan. I understand his logic, but the Director of the Congressional Office of the Budget will not be an employee of the Senate. The Congressional Office of the Budget as a new agency will be subject to the entire Congress. We simply must get the best talent we can find. It is an important and crucial job, not only to the Congress but to the country, and we must pay an adequate wage to attract the kind of individual we want to attract.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. MANSFIELD. Mr. President, I would point out that the Secretary of the Senate has approximately 500 people under his responsibility. I do not think anyone brought in under any new office of this sort should be paid any more than the people who have worked here faithfully and efficiently, and who are experi-

enced, and I would hope we would not denigrate those who have worked for us and for the committees of the Senate by bringing in someone else who will receive \$42,500. I do not think it is fair and I do not think it is right, unless we want to raise all the others to that figure, who are just as good as any man who can be brought in.

Mr. PERCY. Mr. President, I respectfully disagree with the majority leader and with the assistant minority leader. I think we must judge these issues on their own merits.

I think Senators and Representatives are underpaid, and I have consistently voted to get our pay up to the appropriate levels. But here we are establishing no new precedent; we are simply providing another office created by Congress, responsible to the House of Representatives and the Senate, like that of the Comptroller General.

The Comptroller General of the United States is paid \$42,500. This is exactly the same amount. I think it would be a reversal of everything we have tried to accomplish in this bill if we also paid the Director of the Budget of the Congressional Office of the Budget less than we already provide for the Director of OMB. We are trying to place them on a comparable basis. We are trying to see that we are a coequal branch of the Government. We are trying in every way to attract the quality of man or woman that would be attracted by the executive branch. They want that professional experience. Representatives and Senators have a lot of other benefits not included in their pay. They get the honor and they get the glory. We have plenty of people applying for the jobs no matter what the pay would be. But it is not true when we are asking a man to give up a professional career and take a professional position working for the House and Senate. The precedent is here and we have thought it through carefully. I am extremely concerned at this last moment, with 1 minute to go, that we bring forward a matter which has been under consideration for months by both committees and approved by the two committees of the Senate—and certainly the House is not going to disagree with us. I hope that we defeat it and certainly I would ask for a rollcall vote.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. I want to say that I think our professionals here are just as good as anywhere else.

Mr. PERCY. I have no disagreement with the fact that they are underpaid. It is about time we say so.

Mr. ERVIN. Mr. President, this man is not an employee of the Senate. He is an employee of Congress, and he should be paid on the same basis as another employee of Congress; namely, the Comptroller General.

The PRESIDING OFFICER (Mr. HELMS). The question is on agreeing to Michigan (Mr. GRIFFIN).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Utah (Mr. MOSS), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. CORTON), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

I further announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I further announce that, if present and voting the Senator from South Carolina (Mr. THURMOND) and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 43, nays 36, as follows:

[No. 86 Leg.]
YEAS—43

Baker	Fong	Nelson
Bartlett	Gravel	Packwood
Beall	Griffin	Pastore
Bennett	Gurney	Pearson
Biden	Hansen	Proxmire
Brooke	Hartke	Roth
Burdick	Helms	Schweiker
Byrd	Hruska	Scott, Hugh
Harry F. Jr.	Huddleston	Scott,
Byrd, Robert C.	Hughes	William L.
Cannon	Javits	Stevens
Curtis	Magnuson	Taft
Dole	Mansfield	Tower
Domenici	McClellan	Tunney
Fannin	Montoya	Williams

NAYS—36

Abourezk	Eastland	McIntyre
Allen	Ervin	Metcalfe
Bayh	Hart	Mondale
Bentsen	Haskell	Muskie
Bible	Hathaway	Nunn
Brock	Hollings	Pell
Buckley	Humphrey	Percy
Case	Inouye	Randolph
Chiles	Jackson	Sparkman
Church	Mathias	Stennis
Clark	McGee	Stevenson
Crauston	McGovern	Talmadge

NOT VOTING—21

Aiken	Goldwater	Moss
Bellmon	Hatfield	Ribicoff
Cook	Johnston	Stafford
Cotton	Kennedy	Symington
Dominick	Long	Thurmond
Eagleton	McClure	Weicker
Fulbright	Metzenbaum	Young

So Mr. GRIFFIN's amendment was agreed to.

Mr. MCLELLAN. Mr. President, I shall vote for the pending bill, because I

strongly favor the attainment of its general objectives.

However, I vote for it most reluctantly, because I am convinced that this bill in its present form will fall far short of the goals it professes to achieve.

I am under no illusions about the results of this measure's implementation. I do not see in this bill, under its present provisions, any definite assurance or even a strong prospect that this measure will greatly improve the budgetary process or materially strengthen congressional control over public spending.

Of course, this bill will go to conference. There, some desirable changes may be made. But, I do not foresee that the conferees can, or will, rewrite this bill so as to make marked improvement in it. Possibly the greatest virtue of this particular legislation is that it may serve as a vehicle for trial and error. Experimentation with it for a year or two may demonstrate the serious flaws that it embraces and may indicate how the deficiencies and weaknesses that it contains can be eliminated.

We can only hope for the best—that some good will come out of the serious and dedicated effort that has been made by the proponents of this measure to do something practical and effective toward reform of the budgetary process.

Mr. President, this bill, I believe, is so fraught with complexities and so confusing and cumbersome that it will be most difficult, if not impossible, for the Congress, as a practical matter, to comply with its provisions and meet its requirements. It may be destined to simply fail and fall of its own weight. I am apprehensive that, as now written, this measure places such a burden on the legislative and appropriation processes that it is impractical and maybe impossible for Congress to comply with its terms and conform to its directives.

I sincerely hope my conclusions are wrong, but I doubt it. Only time will tell.

Mr. President, if this measure should prove to be inadequate or unworkable, we must try again. The need for effective budget reform and better control of public spending is urgent. This problem will not go away. It must be solved if we are to preserve national solvency.

Mr. HELMS. Mr. President, I shall vote, reluctantly, for this bill, but I hope that my doing so will not leave the impression that I consider this to be adequate legislation.

I have heard some of its proponents acknowledge that it is "half a loaf" in terms of true budget reform. Even that assessment, in my judgment, is extravagant.

True budget reform will come only when Members of Congress make up their minds that they, as individuals, will reform themselves in terms of dangerous fiscal practices. To put it bluntly, Mr. President, if this Nation is to survive in stability, we have got to return to economic integrity.

There is nothing partisan about my view, Mr. President. Both parties are to blame, and all administrations for a generation. This business of spending billions upon billions of dollars each year in ex-

cess of revenue has created a Federal debt nearing a half trillion dollars. And that is only a part of the story.

We can go back home, and make political speeches all we like, but there is not a Member of this Senate who does not know that it is the Congress that has permitted this enormous Federal debt to accumulate—the interest alone on which is costing the American taxpayers \$30 billion a year.

The distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) and I tried twice during this debate to persuade this Senate to include a requirement for a return to the balanced budget concept. Twice we were defeated.

This makes five times, Mr. President—five times—that Senator BYRD and I have been rebuffed in our efforts in less than 12 months when we have pleaded for a return to the balanced budget.

I mean to disparage no Senator, Mr. President. But I do say that, as we pass this bill, we ought to be honest with ourselves, and with the American people, and acknowledge that there is little prospect of any early remedy to the Nation's economic travail to be found in this bill. Maybe it is "half a loaf," or a "step in the right direction"; or some other cliché. But the hard fact of life is that we are doing little, if anything, here today that will be meaningful in reducing Federal spending, or taxation, or inflation.

I shall vote for the bill, Mr. President, but only on the condition that it be fully understood that I have misgivings about the practical results. I do hope that no one will pretend to the American people that we have fashioned a cure for what ails the Nation.

Mr. STEVENSON. Mr. President, the Federal Government spends too much of the taxpayer's money on programs which are wasteful or of low priority. The reasons for excessive spending are as numerous as Federal programs themselves, but the two most fundamental reasons are political and informational.

Too often a budget request is submitted by the executive branch and approved by the Congress because doing so is regarded as more advantageous politically than saying "no" to a powerful interest group in the bureaucracy or the private sector. The most promising way to attack that problem is not through reform of the budget review process, but rather through changes in the electoral process which make it more difficult for the special interests to buy influence. For that reason, it is especially appropriate that the Senate consider campaign financing legislation on the heels of budget reform.

The informational problem is more acute in the Congress, but is present in the executive branch as well. Congress lacks the staff needed to analyze information accompanying executive branch budget requests, and it lacks an orderly process within which competing priorities can be weighed one against the other. This bill does much to lessen those barriers. I would hope that the steps taken in this bill will soon be followed by firmer restraints on excessive spending, such as an omnibus appropriations bill.

I will continue my support for such restraints.

More staff and a more efficient structure will put the Congress in a better position to fight waste, but they are no substitute for will. By enacting this bill, we give ourselves some tools we badly need. Unless we summon up the strength and courage to use those tools, our power of the purse—the core of this institution—will become more shadow than substance.

Mr. MUSKIE. Mr. President, after more than 12 months of hard and often difficult work, the Senate is about to pass a bill to reform the way Congress makes spending and revenue decisions.

The Congressional Budget Act of 1974 is perhaps the most important bill Congress will consider this session, and it has not received the attention it deserves.

The details of this legislation are complicated. But the bill is designed to give Congress the information and staff necessary to determine each year how much money the Government has, how much it should take in, and how much it should spend, before determining what to buy with the taxpayers' dollars.

Until now, various committees of Congress have been unable to determine how their spending decisions will affect the budget as a whole. Under the procedures this bill will change, it is not until after individual decisions are made that Congress knows how much it has spent. This is no way to run a household, and it is no way to run a government.

With my colleagues on the two committees which drafted this bill, I have recognized that Congress has seen its control over the Federal purse strings ebb away over the past 50 years because of its inability to get a grip on the overall budget, while the Office of Management and Budget in the executive branch has increased its power and influence.

And since the budget—up to this point—has been the single most important tool for shaping Government policy, the executive branch has increased its control over policy decisions as well.

As this power has gradually shifted to the executive, the people have come to see Congress as an increasingly ineffective, uncreative institution which has difficulty responding effectively to our problems, and is reluctant to reform itself.

Budget reform will not change the people's feelings about Congress overnight. But it will demonstrate that the Congress sees the need for reform and is willing to try new procedures. And it is an important step toward restoring the balance of power between the branches of Government, and between Government and the people.

Budget reform will mean a greater representative voice for the taxpayers in spending decisions, and it will provide the kind of overall control over spending decisions that the taxpayers have a right to expect.

Mr. President, in the past several months we have come a long way toward meaningful and workable budget reform. This legislation, upon its enactment, will not provide a panacea for all the ills that

now afflict the process by which Congress considers the budget.

But this legislation proves that Members of the Senate can work together to change their ways. It would not have been possible without the cooperation of both the Committee on Government Operations and the Rules and Administration Committee, which worked together to draft it. I am proud to have been part of the bipartisan effort in the Government Operations Committee that this legislation represents. Special thanks, however, must go to the distinguished chairman of the Government Operations Committee, Senator ERVIN, and the chairman of the Budget and Accounting Subcommittee, Senator METCALF. Also, I want to commend the distinguished chairman of the Rules Committee, Senator CANNON, and the majority whip, Senator BYRD, for their time and diligence in reviewing and perfecting this legislation in the Rules Committee.

Finally, let me say that the process for considering the budget included in this bill can work with the cooperation of the entire Senate. Our job now is to implement it.

Mr. BUCKLEY. Mr. President, I rise in support of the Congressional Budget Act and heartily endorse the idea of returning to the Congress the responsibility for making the difficult fiscal decisions which it seeks to accomplish. This bill is the result of intensive investigation and hard work by many Members of the Senate and their staffs.

While it has some major weaknesses, S. 1541 is a long first step in the direction in which we should be moving and a step which must be taken. For all too long the Congress has dissipated its budgetary initiatives, prerogatives, and responsibilities to the point that it now can do little more than endorse—or at best modify slightly—those fiscal decisions reached within the administration. Even this it must do with limited staff assistance and with only such detailed information as an administration sees fit to provide.

More than that, because the Congress does not currently have a mechanism to force itself to consider the fiscal implication of appropriations that are often so casually voted, the Congress has condemned the country to endless inflationary deficits. I speak in particular of the practice in recent years of appropriating substantial amounts through the device of floor amendments, amendments that in the aggregate add tens of billions of dollars of Federal expenditures. Thus the Congress has been feeding the forces of inflation and, in my judgment, making it necessary for the Executive to resort to impoundment and vetoes so as to keep some sort of check on the budget. The bill now under debate represents an important, though inadequate, effort to restore fiscal responsibility to the Congress.

It is eminently desirable, I believe, to establish an orderly sequence of actions the Congress must take, and to enforce a rigid time schedule for those actions. This will force us into more careful consideration and a more logical decision-

making process as we deal with what is probably our primary responsibility—providing for an adequate expenditure of public funds for the total public good.

Mr. President, I do not know that it is possible to set down a "perfect" time schedule for these decisions which must be met, but it does concern me that as the bill now stands, the hardest decisions—and those obviously with the deepest political implications—will be being made during the early fall of the year, the precise time when politicizing generally is at an unusually high pitch. How much better it would be if the decisions made in the first budget resolution could be final decisions—to be "reconciled" only in most extraordinary cases.

I believe one of the principle weaknesses of the bill, and I hope it will not prove a fatal one, is that it contains no effective teeth to force some degree of restraint. The rules written into it can be waived by a simple majority vote, which means that any measure that proves politically attractive although involving a breach of budgetary limits, will more likely than not be adopted through the simple expedient of a waiver in S. machinery so carefully constructed in S. 1541. I hope that a two-thirds rule will be invoked by the time this legislation emerges from conference.

I do not so suffer from delusion that I believe reform of the magnitude here at hand can be accomplished perfectly and overnight, for we have been more than 50 years in bringing ourselves to our present point. I sincerely hope that as the years pass we will be able to define in detail what we are now agreeing on in principle; and it is in that spirit that I shall vote in favor of this bill.

Mr. ROTH. Mr. President, there is no problem today concerning more Americans than that of inflation. The fact that the cost of living today is increasing at a rate of almost 16 percent annually should be a matter of most serious concern to all the Members of Congress. Earlier I had hoped that the action we took today could have been claimed as a giant step toward fiscal responsibility. At best it is but a weak small step in that direction. What so many have heralded as the greatest reform in the last 20 years has proven mainly to be mere rhetoric. We have gone through the gestation period of an elephant and merely given birth to a mouse.

Budget reform has been a matter of great personal concern to me. The Joint Committee on Budget Control was formed as a consequence of my efforts to establish a spending ceiling in 1972. I was privileged to serve as a member of that committee and would like to read into the Record why that committee concluded that major reform was necessary:

The Joint Study Committee believes that the failure to arrive at congressional budgetary decisions on an overall basis has been a contributory factor in the size of these deficits. The present institutional arrangements in many cases appear to make it impossible to decide between competing priorities with the result that spending is made available for many programs where the preference, if expressed, might have been to choose alternatives and also to make spending reductions.

The fact that no legislative committee has the responsibility to decide whether total outlays are appropriate in view of the current situation appears to be responsible for much of the problem. Perhaps components of the budget among several different congressional committees. As a result, each spending bill tends to be considered by Congress as a separate entity, and any assessment of relative priorities among spending programs for the most part is made solely within the context of the bill then before Congress.

Similarly, the report of Senator METCALF's Subcommittee of the Government Operations Committee developed what I considered to be an acceptable budget reform bill. From that step on, however, there was a continual erosion of the tough reforms recommended by the joint committee. Today we are coming out with a watered down form of the bill that provides us with a few bricks instead of the foundation upon which we should be building fiscal responsibility.

Although under this legislation we are considering the budget as a whole, we continue to act on appropriations individually just as we have in the past. Unfortunately, under this proposal, there are no restraints such as the rule of consistency of the joint committee. Even though there is a proscription against appropriating funds before the first concurrent resolution is adopted, if spending decisions have been made throughout the summer, will Congress realistically rescind part of them later in the fall?

I am deeply dismayed that we are failing to make the budget meaningful in ensuing deliberations of Congress. As I pointed out in my opening statement, we have created a rubbery ceiling that will merely reflect increased spending. By our actions we also have eliminated our major restraint on spending and I am speaking of impoundment by the President. In saying this I want to make it clear, however, that I am very much opposed to the misuse of this power when programs mandated by congressional action are eliminated. But the power to restore these programs should be put in the hands of the Congress—not the courts.

Unfortunately, every effort to amend this legislation in order to enforce responsible fiscal planning has been overwhelmingly turned down. What it means is that we will continue our inflationary ways of deficit spending unless of course the press begins to put the revealing spotlight of publicity upon our spendthrift habits. Much has been said about how this legislation will strengthen the American dollar in the international market, but any international expert who has watched these proceedings has not gained any confidence that Congress will take the difficult steps necessary to strengthen the dollar.

Frankly, I am dismayed at the over-optimistic claims being made as to the import of this legislation. Let us be realistic. This bill is no cureall. It is, in my humble judgment, such over-optimistic claims made for this and other such legislation that leads to a lack of credibility on the part of the public and the faith in and respect for Government will continue to go down as long as they are being made.

Long range, I am hopeful and I shall continue to fight for meaningful budget reform legislation, and I hope that this will be but the first step in forcing Congress to come to grips with this very important problem. I hasten to add, however, if we do not take additional steps to strengthen the process the public will not stand idly by as we contribute to the high costs of the goods and services they purchase by our inflationary spending practices. We will, of course, ultimately all be held accountable.

Mr. DOMENICI. Mr. President, the Congress and the people of the United States have become painfully aware, that our present budgetary process is archaic, and incapable of providing the type of fiscal responsibility required for economic stability and growth. This point has been made time and again by many Members, myself included.

I have, on several occasions, attempted to outline some of the deficiencies in our present system, as I see them, and have been an active supporter of initiatives which would correct these shortcomings. I feel sure that S. 1541, the Congressional Budget Act of 1974, is such an initiative, a major effort that deserves our full support.

In illustration of my belief that S. 1541 is a major step in the right direction, I would like to list briefly the points with which I have been most concerned under our present-day budgetary process, and then present the answers which I think this bill offers to these problems.

First, Congress has no overview of the appropriations process, by which it may consider expected revenues so that expenditures may be limited to a reasonable amount. In other words, it has no real system for preparing and keeping to budget systems. In S. 1541, however, the Budget Committees would be responsible for generating an initial budget resolution and allocating this specified funding level out among the various committees addressed in this resolution. These committees would, in turn, allocate funds to their subcommittees but at every stage of this process, comparisons between levels of funding and expenditures would be made.

Furthermore, a second concurrent resolution on the budget would follow in which funding levels in the first budget resolution could be revised to conform with, or guide, economic trends. In any event, the funding level authorized in the second budget resolution would not exceed limitations set by the current level of revenues. Besides providing Congress with an important tool for controlling inflation, this type of organization will also mitigate against the problems inherent in having a totally fragmented appropriations process. That is, no longer will 13 different appropriations bills be considered and produced which have no relation to each other or to total appropriations.

Second, there is never sufficient information on which to judge spending priorities, although priorities must obviously be set. This informational deficiency makes it virtually impossible to choose responsibly between competing expenditure programs.

S. 1541 would create the Congressional Office of the Budget which would provide all committees and Members not only with basic budgetary and fiscal information, but also with projections of what impact current budgetary decisions will have on future budgets, and with information on alternatives to any given funded program.

And third, it is obvious that a heavy burden and much responsibility is placed almost exclusively on the shoulders of chairman and senior members of those committees and subcommittees which are concerned with appropriations.

Under S. 1541, however, no Member would be allowed to serve on more than one other standing, special, select, or joint committees in addition to service on a Budget Committee. This provision would, then, allow members of the Budget Committee to devote a greater proportion of their time and energy to management of the appropriations process.

In summation, Mr. President, I feel that this bill is a pragmatic and well thought-out approach toward the evolution of sound fiscal policy tools which the Congress badly needs. Although this should not be viewed as the panacea for all our budgetary ills, it represents the type of reform needed to bring congressional budgetary practices into the 20th century.

TREATMENT OF TAX EXPENDITURES IN THE CONGRESSIONAL BUDGET ACT OF 1974

Mr. MUSKIE. Mr. President, the Congressional Budget Act of 1974 would substantially improve information about and congressional control over tax expenditures—those provisions of tax law which provide for reductions in tax revenue for special purposes.

By allowing special exclusions, exemptions, deductions, credits, tax rates, or deferrals, tax expenditures each year cost the Federal Treasury billions of dollars in tax revenues that would otherwise be collected under our normal tax structure. The revenue loss under each direct tax expenditure is quite similar to a budget outlay, since each one is justified as serving nontax policy purposes. Some tax expenditures, such as the \$3.4 billion of lost revenue in calendar year 1972 resulting from charitable contribution income tax deductions, serve goals on which there is broad agreement. Other tax expenditures, such as the \$1.7 billion revenue lost in 1972, because of percentage depletion provisions, serve as goals on which there is disagreement, and without proven effectiveness. But currently, none of these tax expenditures—and the sum of their costs was, at least, an estimated \$59.8 billion in 1972—are scrutinized as part of a rational congressional decision about the entire Federal budget.

The definition of tax expenditures in section 3(a)(3) of the bill is:

Those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability representing a deviation from the normal tax structure for individuals and corporations.

This definition includes a variety of tax expenditures, including items which are not excluded by a provision of the tax law but affirmatively as a result of Internal Revenue Service interpretation and practice.

The use of the words "income tax" in the definition should not preclude consideration of tax expenditures in the gift and estate tax systems. Generation skipping under the estate tax, for instance, has an estimated cost of well over \$250 million annually, and the charitable deduction under the estate tax, including deductions for family foundations, has a much larger annual cost, well over \$1 billion annually.

The bill also includes a definition of the tax expenditure budget as a complete enumeration of such expenditures. This enumeration should include at least all the items in tax expenditure materials prepared to date by the Treasury and the relevant committees of Congress.

The Committee on the Budget will have the duty to institute studies concerning tax expenditures, to devise methods of coordinating tax expenditures with direct budget outlays, and to report on this work. Their work should include study of converting tax expenditures into direct budget outlays—section 101(a).

The Congressional Budget Act would integrate consideration of tax expenditures into the congressional budget-making process. The Congressional Office of the Budget, for instance, would be required to develop information about tax expenditures, and would report to Congress before April 15 an estimate of tax expenditure levels for the succeeding fiscal year. The President would also be required to include estimates of tax expenditure levels in his proposed budget—section 601.

While tax expenditures would not be included in that text of concurrent resolutions on the budget, levels of tax expenditures by major functional budget categories would be included in the report of the Budget Committees accompanying concurrent resolutions—section 301(e). The information in Budget Committee reports, together with the estimated tax expenditures in the President's budget, would constitute background information for judging revenue levels in the concurrent resolution.

In addition, bills proposing new or increased tax expenditures would be subject to two of the requirements imposed on bills providing new budget authority. The report accompanying any such bill or resolution would include a comparison of the proposed tax expenditure level with the level specified in the report on the concurrent resolution, together with a projection of the tax expenditures resulting from the proposed legislation for future fiscal years—section 308(e). Such bills and resolutions would also be enacted into law prior to the August adjournment, as would be the case for new budget authority bills—section 309.

S. 1541 requires the establishment of a standardized information system for Federal fiscal, budget, and program data—section 801(a). This system will

include complete tax expenditure information. Tax expenditure budget data will be aggregated in the same functional program categories as direct budget outlays, and will be fully integrated with functional aggregations of direct budget outlays so as always to present a complete picture of total Federal effort in any one functional area.

The provisions of S. 1541 relating to tax expenditures are an essential part of the increased budgetary control the bill provides. They would insure that congressional control of the budget extends to all of our expenditures for public purposes.

RESPONSIBILITY AND SPENDING IN CONGRESS

Mr. DOLE. Mr. President, I believe the state of our economy is the most critical responsibility facing Congress today. A stable, expanding, and sound economic structure is a vital requirement for the domestic and international strength of our Nation. And it is absolutely essential to the well-being of the American people whose earnings, savings, pensions, and investments serve as the foundation for our entire social and economic structure.

DIFFICULT ERA

We have entered a most welcome era but, admittedly, a difficult one. America is at peace throughout the world. We are not engaged in hostilities with any other nation, and none of our young men are being drafted to feed the machines of war. But peace has not come without a price. And while the guns are silent, our economy does not have the stimulus of a war to provide jobs, absorb excess industrial capacity and fuel business expansion.

This means that we have a system which is vulnerable to many hazards which do not affect a wartime economy. And because the tremendous impact of a war's demand for goods and services is not present, there is less flexibility, less margin for error and fewer alternatives for making adjustments in economic policy.

Energy, food, raw materials—all these matters and many more take on even greater importance, because we must deal with them within a narrower range of limits and with greater risks of harm from any mistakes, oversights, or faulty policies.

CAUSE FOR ALARM

As I said, Congress bears great responsibility for the health of the economy.

The decisions made by Congress on everything from public works projects, to military weapons, to energy research, to tax rates have a profound effect on the American economy and thereby on the life of every citizen.

But in this critical period, I believe the citizens of this country have every reason to be, not only concerned, but alarmed at the way Congress goes about its business.

POOR COMPARISON

The disorganized, fragmented, and entirely haphazard system of passing laws to authorize projects and programs, appropriate funding and raise tax revenues

is a sad commentary on congressional leadership, responsibility and ability in the economic field. The situation is cast in still more unfavorable light when a comparison is drawn with the approach of the executive branch.

After months and countless man hours of effort the President presents a coherent, organized, and rational plan of Government operations in the form of his annual budget. Many find reason to disagree with it, criticize its features or suggest changes. But the budget is one document, a plan, a product of organized and disciplined labor. It stands for something and provides a focal point for planning and decisionmaking.

NO COORDINATION OR DISCIPLINE

But what happens when the budget goes to Congress? It is somewhat as if a big birthday cake had been set down on an anthill. It is swarmed over by dozens of committees, several hundred subcommittees, and 535 Congressmen and Senators. Everybody grabs a chunk of it and runs off in every possible direction. And over the next 6 to 12 months a whole string of independent and uncoordinated measures wind their way through hearings, markups, floor debates, and conferences and are ultimately dumped on the President's desk. By this process innumerable programs are set in motion for years to come; money is spent on every conceivable sort of project; and in every—direct, backdoor, reprogramed, trust-funded—way imaginable to the minds of legislators. In the same process taxes are levied on almost every possible activity or enterprise which the public chooses to undertake. All of this process takes place without any master plan, no overall guidelines, and apart from any disciplined organization whatsoever.

NO ONE ELSE COULD SURVIVE

If a family, a business or probably any other form of government—State, city, county, or township—tried to operate on this basis the results would be bankruptcy for the family or business and certain voter outrage directed toward a statehouse, city hall, or county seat. The wonder is that Congress has been able to get away with it for so long—or at all.

EASY POLITICS

Of course, politics must be considered. And one of the oldest political shell games is to vote massive spending increases for every special interest program that comes along and then raise the roof when a President vetoes some overloaded bill or "fails to control spending." It is easy for some to have it both ways, and the election results show that this is a successful gambit for those who care more about votes than responsibility in government.

By this I do not mean that individual Congressmen and Senators bear the full responsibility. They must survive, and the rules of the game are set to an important degree by the leadership of Congress. The record is there, and it speaks for itself, so the public should judge where this power has been in Congress, who has wielded it and how the current system has survived unchallenged for these many decades.

The need for change, for spending responsibility by Congress, has been obvious for years. But with today's critical and delicate economic conditions, the need has become an absolute necessity.

ONLY A FIRST STEP

Reform in congressional budgetary matters is important, and I support S. 1541, the Congressional Budget Act of 1974, which is before the Senate today. But we should not deceive ourselves or the people that this bill, by itself, will inject a genuine and lasting degree of responsibility into the House and Senate. As a first step toward that responsibility it can accomplish something. Without further reform it will be meaningless.

We can establish timetables and deadlines and fancy-sounding procedures until the Moon turns to green cheese, but without other fundamental changes on Capitol Hill, we will not have one bit of improvement. These changes are obvious, but enthusiasm for them at this point does not appear to be overwhelming.

RESTRUCTURE COMMITTEES

First, the committee system must be restructured. Overlaps, jealously guarded but senseless duplications, petty power structures must be eliminated, and committee and subcommittee jurisdictions must be rationalized. The fact that 32 standing and joint committees spent some 600 hearing-days—not to mention hours of floor debate—on energy questions during the last three sessions of Congress should be ample indication that something is haywire in the organizational structure. And if there is no improvement in the flow of legislation through the committee system and if fragmentation of jurisdiction is not eliminated, the schedules, dates for action and resolutions provided for in S. 1541 will be as meaningless as any other exercise in hypocrisy.

CONGRESSIONAL STAFF

In addition to restructuring the committee system the men and women who serve on them should be provided adequate staff resources. Currently a junior member of a committee, particularly if he belongs to the minority party, is little more than an invited visitor to his committees' hearings.

With the majority having the overwhelming bulk of most committee staffs, a junior member on the opposite side of the table is seriously shortchanged.

I would point out that as a Senator who has achieved some seniority in the past 5 years and who serves on one committee that makes no distinctions on staff service, this is not so much a personal lament as one of principle. But I believe it is unfortunate that newcomers—especially here in the Senate on the minority side—are denied the valuable committee staff assistance that the majority and more senior minority Members enjoy. These people have a great contribution in terms of energy, fresh viewpoints, and enthusiasm to make in their committees and in the Senate. And to the extent that they are not utilized and harnessed to the job of doing the

Senate's business, the Senate will retard its own abilities to change and bring about meaningful reforms in its operations.

OTHER AREAS FOR REFORM

There are many other areas that require reform, including modernization of our information and data systems, scheduling the working sessions of the House and Senate and better ways for dealing with the concerns and interests of our constituents in our States and districts.

I point to these matters, because I believe it is important that we recognize that budget reform is not the magic answer to making Congress more effective and more responsible in its handling of the Nation's affairs. Budget reform is important and it is a good first step, but much more remains to be done.

IMPACT ON FINANCE COMMITTEE

The jurisdiction of the Committee on Finance touches some of the most important and sensitive areas of our system. As a member of this committee, I have been particularly interested in the budget reform bill's impact. Taxes, the national debt, medicare, medicaid, social security, and welfare all fall within the committee's responsibility, so improvements which could help the committee in the exercise of its heavy workload would be most welcome and appropriate.

I was most interested, therefore, in the analysis of the budget bill prepared by the Finance Committee staff, and I ask unanimous consent that it be printed in the Record at this point, because it also contains a good overview of the bill's major features and provisions.

REASONED BUDGET CONTROL IS NECESSARY—SENATE ACTS TO MEET ITS RESPONSIBILITY WITH PASSAGE OF S. 1541

Mr. RANDOLPH. Mr. President, I know Members of the Senate share my disquiet over the recent findings of public opinion polls that the Congress is held in low esteem by the American people. At a time when public confidence in the executive branch has been shaken the Congress should be able to provide leadership in these troubled times.

Unfortunately, the Congress is considered to be so bound by personal interest and tradition that it is incapable of adjusting itself to the requirements of a modern society.

Mr. President, the bill before the Senate, S. 1541, dispels the notion that the Congress is failing to meet its responsibilities. The area of fiscal control is central to the operation of our Government. We know that the adoption of Federal programs without regard to their financial impact on total Government spending is irresponsible. The Congress, however, has traditionally been without the means for viewing Government spending as a total entity.

This legislation to create a Senate committee on the budget and to revamp legislative procedures in this body is extremely important. It has the twin benefits of enabling us to examine and control the impact of our actions on Government fiscal policy and of reasserting congressional prerogatives as a coequal branch of the Government.

The Constitution of the United States, in sections 8 and 9 of article I, gives to the Congress the specific and sole responsibility for appropriating funds. The budget process is simply the execution of this responsibility.

The provisions of S. 1541 are as unique as they are far reaching. As presently before us, the bill represents months of work and input by many Members of this body. After being reported from the Committee on Government Operations last November 28, it was rereferred to the Committee on Rules and Administration.

Under the leadership of my able and distinguished colleague from West Virginia, Senator ROBERT C. BYRD, the Subcommittee on Standing Rules conducted further inquiries on the implications of this legislation.

Because of its effect on the work of the authorizing committees, Senator BYRD invited chairmen of those committees to become involved in consideration of S. 1541. Several of us took advantage of this opportunity to relate our work to the requirements of the budget control bill. I am particularly appreciative of the interest in this matter of fundamental Senate policy shown by Senators JACKSON, MAGNUSON, HARTKE, and MOSS for involving the committees they chair in the refinement process. This work could not have been carried out, of course, without the support of Senator CANNON as chairman of the Committee on Rules and Administration.

Substantial contributions to this legislation have been made by the comanagers of the bill, Senators SAM ERVIN and EDMUND S. MUSKIE, both of whom are intimately acquainted with the need for authorizing committees to perform a part in budget control.

Mr. President, the procedures provided in S. 1541 are concerned with much more than fiscal management. The allocation of funds to carry out Government programs really reflects our assessments as to priorities and national goals.

This bill authorizes the establishment of a committee on the budget, but it also increases the responsibilities of the authorizing committees. The new budget committee must receive substantial input from the authorizing committees, for they have first-hand knowledge of program requirements.

This is a responsibility that the Committee on Public Works willingly accepts. Furthermore, it is consistent in some degree with our present informal practice. Senator MUSKIE's Subcommittee on Environmental Pollution, for instance, conducts hearings on the budget request for the Environmental Protection Agency. In this way we are equipped to advise the Appropriations Committee on the Agency's funding needs as compared with both the budget request and our assessment of program requirements.

The restrictions of S. 1541 on long-term authorizations are consistent with the operation of the Committee on Public Works. It has been our practice not to include open-ended authorizations or those that extend over a number of years for the programs under our jurisdiction.

The Congress, Mr. President, is an in-

stitution that moves deliberately. There are those who may find this quality personally frustrating, but it was purposely designed this way. The validity of the approach chosen by our Founding Fathers has, time and time again, been proven correct.

Our actions have such widespread and profound impact that I believe we should act in no other way. The legislative process in a democratic society is by nature one of accommodating varying viewpoints. We should not, and should not be expected to, rush into decisions. Our actions should be well-founded and well-reasoned. The budget control process contained in S. 1541 will help us to make such judgments.

In the development of this bill before it was reported from the Rules Committee, there were extensive meetings of staff members from the other committees concerned. I call particular attention to the significant contributions made by Karl Braithwaite who represented the Committee on Public Works in these meetings. Mr. Braithwaite is a political scientist by profession who brought both his training and his experience as a professional Senate staff member to this task. His grasp of the issues and his quiet approach to drafting responsible legislation was of great assistance to our committee.

Mr. President, this bill will equip the Senate to better respond to the total needs of the American nation and I urge its adoption.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ERVIN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 584, H.R. 7130, the bill on this subject that was passed by the House.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 7130) to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ERVIN. Mr. President, I move to strike all after the enacting clause and substitute in lieu thereof the text of S. 1541, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to.

Mr. ERVIN. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be en-

grossed and the bill to be read a third time.

The bill (H.R. 7130) was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Utah (Mr. MOSS), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Utah (Mr. MOSS), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Missouri (Mr. SYMINGTON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. AIKEN) is absent because of illness in the family.

I further announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Vermont (Mr. STAFFORD), the Senator from South Carolina (Mr. THURMOND), and the Senator from North Dakota (Mr. YOUNG) would each vote "yea."

The result was announced—yeas 80, nays 0, as follows:

[No. 87 Leg.]
YEAS—80

Abourezk	Chiles	Helms
Allen	Church	Hollings
Baker	Clark	Hruska
Bartlett	Cranston	Huddleston
Bayh	Curtis	Hughes
Beall	Dole	Humphrey
Bennett	Domenici	Inouye
Bentsen	Eastland	Jackson
Bible	Ervin	Javits
Biden	Fannin	Johnston
Brock	Fong	Magnuson
Brooke	Gravel	Mansfield
Buckley	Griffin	Mathias
Burdick	Gurney	McCallan
Byrd	Hansen	McGee
	Harry F., Jr.	McGovern
	Byrd, Robert C.	McIntyre
	Cannon	Metcalf
	Case	Mondale
		Hathaway

Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy

Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stennis

Stevens
Stevenson
Taft
Talmadge
Tower
Tunney
Williams

NAYS—0

NOT VOTING—20

Alken
Bellmon
Cook
Cotton
Dominick
Eagleton
Fulbright

Goldwater
Hatfield
Kennedy
Long
McClure
Metzenbaum
Moss

Ellicott
Stafford
Symington
Thurmond
Weicker
Young

So the bill (H.R. 7130) was passed.

Mr. ERVIN. Mr. President, I move to reconsider the vote by which H.R. 7130, as amended, was passed.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to establish a new congressional budget process; to establish Committees on the Budget in each House; to establish a Congressional Office of the Budget; and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 651, S. 1414, and Calendar No. 664, S. 1541, be placed on the calendar on page 14 under Subjects on the Table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 7130 and that the bill be printed as it was passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I move that the Senate insist on its amendments to H.R. 7130, and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ERVIN, Mr. MUSKIE, Mr. RIBICOFF, Mr. METCALF, Mr. CANNON, Mr. PELL, Mr. ROBERT C. BYRD, Mr. ALLEN, Mr. PERCY, Mr. ROTH, Mr. BROCK, Mr. COOK, Mr. HUGH SCOTT, and Mr. GRIFFIN conferees on the part of the Senate.

TRIBUTE TO SENATORS ERVIN, METCALF, CANNON, ROBERT C. BYRD, AND OTHER SENATORS ON PASSAGE OF BUDGET REFORM

Mr. MANSFIELD. Mr. President, budget reform was set forth as one of the Senate's high priority items for the 93d Congress. The Senate has approved unanimously the Congressional Budget Reform proposal, and this outstanding success was achieved through the efforts of many members of this institution.

I rise now to pay tribute to those Members most responsible. First, to the distinguished chairman of the Government Operations Committee, Senator ERVIN, goes our deepest gratitude for his out-

standing leadership in this effort. His contributions and those of his committee have gone far to make the Legislative Branch of our Government more responsive and more responsible, more able and better equipped to deal with the most complex fiscal matters that are required to support the Nation and all national goals. We are indebted to Senator ERVIN for his unstinting devotion to the resolution of a matter that often in the past has placed the legislative branch at a disadvantage concerning the retrieval, the assimilation and the understanding information regarding the Nation's more difficult budgetary question.

We therefore, extend our deepest gratitude to Senator ERVIN and to his committee.

Managing this all-important measure on the floor as well were the very able and skillful Senators from Maine (Mr. MUSKIE) and Montana (Mr. METCALF). They exhibited once again their deep wisdom and immense capacity for understanding in recognizing the problems faced by Congress as it attempts to control the expenditures of the Government and to establish national priorities in applying and allocating resources. Senator MUSKIE and Senator METCALF have compiled records unsurpassed in the application of diligence and competence in the areas covered by S. 1541. Throughout this week we have been fortunate to have their invaluable assistance and guidance.

Our gratitude should be extended as well to the Rules Committee and particularly to Senator ROBERT BYRD and Senator CANNON. Their work in behalf of the proposal and that of the Committee on Rules as a whole were based upon many thoughtful and sincere views which contributed enormously to the discussion and ultimately to the overwhelming success of the measure. They are legislators whose effectiveness and leadership are unsurpassed.

I would like also to pay tribute to the distinguished Senators from Illinois (Mr. PERCY) and from Tennessee (Mr. BROCK) for their efforts on behalf of a better informed, more efficient and better equipped Congress. The cooperative manner in which they joined to support the proposal contributed indispensably to the expeditious handling and final passage of the bill. They deserve the highest praise for their work.

Joining also to assure a full and fair discussion on the floor of all of the matters involved were the Senator from Florida (Mr. CHILES) and the Senator from Delaware (Mr. ROTH). I wish to commend them particularly for their participation and contributions. The Senate profited enormously from their expressions concerning the issues involved.

There were many other Senators who joined as well. The record reflects the broad spectrum of those concerned, those whose support and views have made this measure one of the most significant building blocks in the reform of governmental institutions. In fact, without the cooperation of each Senator this week, the Senate would not have been able to accomplish the task with such efficient and successful dispatch. I wish to

thank the entire Senate for this achievement. It is a tribute to each and every Member.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HASKELL) laid before the Senate messages from the President of the United States submittingundry nominations, which were referred to the appropriate Committee on Armed Services.

(The nominations received today are printed at the end of Senate proceedings.)

PROGRAM

Mr. GRIFFIN. Mr. President, while the distinguished majority leader is in the Chamber, I wonder if I might ask him if he can enlighten us as to the program for the rest of the day and possibly next week.

Mr. MANSFIELD. I will be delighted to respond to the question raised by the distinguished acting Republican leader.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 665, S. 3044, a bill to amend the Federal Election Campaign Act of 1971 be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The bill was stated by title as follows:

A bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

PROGRAM

Mr. MANSFIELD. Mr. President, no action will be taken on the bill today. There will be no further votes today, to the best of my knowledge. When the Senate reconvenes on Monday, S. 3044 will be the pending business. When that is disposed of, and that will take a couple of days, to be optimistic, it will be followed by S. 354, the so-called no-fault automobile insurance bill.

This afternoon I intend to yield to the distinguished Senator from Georgia (Mr. NUNN), the distinguished Senator from Georgia (Mr. TALMADGE), and the distinguished Senator from Kansas (Mr. DOLE) for matters of importance which already have been cleared and about which the distinguished acting Republican leader knows.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

CONGRESS ACTING

A Budget of Its Own

By Shirley Elder

Star-News Staff Writer

Congress, to the amazement of many, is on the brink of giving final approval to a bill revolutionizing the way the federal budget is handled on Capitol Hill.

It has been a long time coming. The bill was born in the frustrations of dealing with the Nixon White House, which often ignored the spending wishes of Congress, impounding funds, cutting off programs, vetoing appropriations bills. The aim is to reassert a power over the federal purse-strings that had been slowly eroded over the years by assertive presidents.

House approval of a final compromise version of the bill is due today. The Senate is expected to follow later this week. Sponsors hope to get the measure to the White House for Nixon to sign into law before he leaves for Moscow.

The bill passed both houses of Congress by lopsided margins and there is no apprehension among congressmen over a possible presidential veto.

THE LAW will be effective immediately, applying to the budget for the fiscal year beginning July 1, 1975. The President's recommendations for that budget must be submitted 15 days after the new Congress convenes in January.

New budget committees in both the House and Senate will be created immediately, giving them time to get ready for action in 1975, and a new Congressional Office of the Budget, with a \$40,000-a-year director, will be named to match the President's increasingly-powerful Office of Management and Budget.

The House committee, for the first time in congressional history, will have rotating membership. No House member will be able to serve more than four years in each 10-year period — an anti-seniority device that recognizes how powerful this committee could become.

On the Senate side, members will not be limited in years of service, but those who accept appointment to the budget committee will have to give up some other major committee post held now.

If faithfully followed, the new law will force Congress into more measured and timely budget action. How well it works will depend on the extent to which Congress disciplines itself to follow its own rules.

THE BILL will make it more difficult for presidents to impound funds in programs already approved by Congress.

Congress would have to approve the impoundments in cases where the presidential action actually ended an existing project. And Congress would have the power, by a majority vote of both houses, to end an impoundment that merely delayed the spending of appropriated funds.

Under the bill, the federal government will move to an Oct. 1 to Sept. 30 fiscal year instead of the present July 1 to June 30, giving Congress three more months in the calendar year to put a budget together.

The timetable will go like this:

1) Nov. 10 each year, President must submit "current services budget" — a projection of how much it will cost the taxpayers to continue existing programs into the fiscal year beginning the next Oct. 1.

2) Fifteen days after Congress convenes, the president must present full budget request.

3) April 15, budget committees send concurrent resolutions to House and Senate floors outlining a tentative alternative congressional budget based on reports from other congressional committees and the new COB.

4) May 15, Congress must have completed action on initial budget resolutions.

5) By seven days after Labor Day, all individual appropriations bills must clear Congress.

6) Sept. 15, final action on second budget committee resolution that would either affirm or revise the earlier targets, and sometimes order changes.

7) Sept. 25, final action on a final "reconciliation" bill, balancing spending and revenues by raising some and lowering others as needed.